GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department-Food Processing Policy 2015-2020 of Andhra Pradesh State-Operational guidelines Orders-Issued.

Industries & Commerce (Programme.III) Department

G.O.MS.No. 104 Dated:12.11.2015

Read the following:

1. G.O.Ms.No.57, Ind.&Com.(Prog.III)Dept., dt.24.07.2015
2. From the CEO,APFPS, Hyderabad, Lr.No.APFPS/Ope.Guidelines/2015, dt.03.08.2015**.**

****

O R D E R:

In the G.O 1st read above, orders were issued on Food Processing Policy of Andhra Pradesh State for the period 2010-2020.

2. In the reference 2nd read above, the Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad submitted draft Operational Guidelines for implementation of the Food Processing Policy, 2015-2020 and requested the Government to issue Orders in the matter.

3. Government, after careful consideration of the proposal of Chief Executive Officer, Andhra Pradesh Food Processing Society (APFPS) Hyderabad hereby issue the Operational Guidelines for implementation of schemes included in the Food Processing Policy 2015-2020 as appended in the Annexures to this Order.

4. This order issues with the concurrence of Finance (FMU-REV.IC&E)Department, vide their U.O.No.5476/237/FMU-Rev.IC/A2/2015, dt.10.11.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (M & G and FP)(FAC)

To
The Chairman, Andhra Pradesh Food Processing Society, A.P. Hyderabad.
The Chief Executive Officer, A.P. Food Processing Society, A.P. Hyderabad.
The Director of Industries, Andhra Pradesh, Hyderabad.

Copy to:
All the PS to Principal Secretaries / Secretaries to Government, Govt of A.P.
All Heads of the Department, Government of Andhra Pradesh.
All the Collectors, Government of Andhra Pradesh.
All Departments in A.P. Secretariat, Andhra Pradesh, Hyderabad.
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, Hyderabad.
The Secretary, Government of India, Ministry of Food Processing Industries, Panchsheel Bhavan, August Kranti Marg, New Delhi-110 049.
The P.S. to Principal Secretary to Chief Minister.
The P.S. to Minister for (Agriculture / Horticulture / Marketing/ Fisheries / Animal Husbandry) Government of A.P

(P.T.O)

The P.S. to the Chief Secretary.
The P.S. to the Secretary to Government, (M &G and FP) (FAC) Inds. & Com., Department.
The Government Pleader for Industries & Commerce, High Court of A.P. Hyderabad for information.
SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER

Annuxure-1

(G.O.MS.No. 104, Industries and Commerce (Prog.III) Department, dt. 12.11.2015)

Implementation of Schemes

(1) Introduction :-

The Government of Andhra Pradesh launched a new Food Processing Policy 2015-20 vide G.O. Ms. No.57, Industries & Commerce (Programme III) Dept., dt.24.7.2015. The policy aims at making Andhra Pradesh State as one of the most preferred destinations for Industries in Food Processing Sector. It offers various incentives / benefits to all eligible Food Processing Enterprises being set up in the State.

(2) Schemes included in the AP Food Processing Policy 2015-20

1. **Scheme of Food Parks :**

a) Integrated Food Parks
b) Mega Food Parks
c) Ultra Mega Food Parks

2. Scheme for setting up of Cold Chain for Agri / Horti / Dairy / Meat produce
3. Scheme of primary processing centres / primary collection Centres
4. Scheme of establishment of new food processing units
5. Scheme of technology Upgradation / Modernization of Food Processing Units.
6. Scheme for purchase Reefer Vehicles
7. Scheme for setting up / Modernization of Abattoirs
8. Scheme for setting up / Upgrading Testing Labs (including NABL accredited)
9. Scheme for Units set up to process waste produced in food processing units in identified clusters
10. Scheme for Marketing assistance
11. Scheme for quality certification / Patent Registration
12. Scheme to reimburse Road Transport charges to ICD / Port for export of perishable goods
13. Scheme to accelerate research and development in the Food Processing Industries

(3) Implementing Agency:-

Andhra Pradesh Food Processing Society (APFPS) shall be a Nodal Agency to implement the policy.

(4) Administrative and Promotional expenses:- Andhra Pradesh Food Processing Society may utilize 5% of the actual expenditure incurred in a financial year for meeting the administrative expenses and 5% towards promotional expenditure.

(5) Screening Committee :-

State Level Screening Committee consists of

1) Secretary / Principal Secretary, Industries (FP) – Chairman
2) Director of Industries, AP or his nominee
3) Representative of Finance Department

4) Representative of State Level Bankers Committee (SLBC)
5) Managing Director, APSFC or his nominee
6) C.G.M NABARD or his nominee
7) C.E.O – A P Food Processing Society – Convenor

(6) Sanctioning Authority :-

State Level Empowered Committee with Chief Secretary as Chairman shall decide and accord project specific approvals of schemes processed in State Level Screening Committee. The Committee will have the following Members :-

1) Special Chief Secretary / Principal Secretary, Agriculture
2) Secretary / Principal Secretary, Horticulture
3) Secretary / Principal Secretary, Finance dealing with Food Processing subject
4) Secretary / Principal Secretary, Animal Husbandry and Dairy
5) Secretary / Principal Secretary, Marketing
6) Secretary / Principal Secretary, Industries – Convener
7) Any expert to be co-opted with the orders of the Govt.,

SLEC may periodically meet to sanction, review and evaluate the implementation of the schemes in the State.

(7) Selection Procedure :-

(A) The selection of project Developers / SPVs for all types of Food Parks will be through EoI/Swiss challenge system.

(B) Selection of Developers of all other schemes will be through a open, transparent method through a newspaper advertisement.

(8) The District and State Level scrutiny / verification / sanction committees constituted as per the operational guidelines for implementing the Industrial Development Policy (IDP) 2015-20 will be the competent authorities for sanction of fiscal incentives.

(9) Recall of Grant :- SLEC will have the authority to recall the grant in case of mis-utilization of grants by the applicants.

a) If the project is not completed in time, even within the extended project period
b) If the grant released is utilized for the purpose other than the approved components.

(10) Supervision and Monitoring :-

Andhra Pradesh Food Processing Society (APFPS) will engage project management agencies to supervise and monitor the implementation of schemes under the policy.

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (M and G &FP)(FAC)

ANNEXURE-II

Operational guidelines for implementation of A P Food Processing Policy 2015-2020

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Scheme of Integrated Food Parks

1. Objectives:

1.1 The primary objective of the Integrated Food Parks Scheme (IFP) is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market. It will include creation of storage and processing infrastructure near the farm, transportation, logistics. The main feature of the Scheme is a cluster based approach. The scheme will be demand-driven, and will facilitate food processing units to meet environmental and safety standards.

1.2 The expected outcome is increased realization to farmers, creation of high quality processing infrastructure, reduction in wastage, capacity building of producers and processors and creation of an efficient supply chain along with significant direct and indirect employment generation

2. Salient Features of the Scheme

1.1 The Scheme aims to facilitate the establishment of a food processing units. The infrastructure under the Scheme would be need based for storage, effluent treatment, water supply & treatment facilities, power supply, environmental protection systems, quality control labs, trade facilitation centres, etc.

1.2 The extent of land required for establishing the IFP is estimated to be minimum 30 acres, though the actual requirement of land would depend upon the business plan of investors.

1.3 It is expected that on an average, each project may have around 10 food processing units with a collective investment of around Rs 100 cr. that would eventually lead to an annual turnover of about Rs 200 cr. and creation of direct and indirect employment of about 5,000 persons. However, the actual configuration of the project may vary depending upon the business plan for each Integrated Food Park.

1.4 The spirit of the guidelines of the Integrated Food Park Scheme is to facilitate setting up of only food processing industries. Accordingly, only food processing industries that make food products fit for human/animal consumption may be permitted to be set up in the Integrated Food Parks. Packaging facilities of food products as ancillary to the food processing industries may also be allotted land in the Integrated Mega Food Parks.

3. Pattern of Assistance

3.1. The Scheme shall provide a capital grant at the rate of 50 % of the eligible project cost* subject to a maximum of Rs.20 cr. per project

* *The eligible project cost is defined as total project cost but excluding cost of land, pre-operative expenses and margin money for working capital. However, interest during construction (IDC) as part of preoperative expenses and fee to Project management consultant (PMC) up to 2% of the approved grant would be considered under eligible project cost*

3.2. In the interest of expeditious implementation of the projects, the APFPS would engage a Program Management Agency (PMA) to provide management, capacity building, coordination and monitoring support. For meeting the cost of the above and also other promotional activities by the APFPS, office expenses & travel expenses related to the scheme amounting up to 5% of the overall grant available, will be earmarked

3.3. The project cost for the purpose of eligibility under this Scheme would consist of the following components:

3.3.1 Core Infrastructural Facilities:

I. Cost of civil work & equipments for common facilities like testing laboratory, dry warehouses, Silos, specialized storage facilities, cold storage including Controlled Atmosphere Chambers, pack house, Reefer vehicles, demo plot with agri. extension team in 5% of the total area etc.,

II. Preference will be given to the projects, which propose common processing facilities like cleaning, grading, sorting, drying, boiling, packing, IQF, pulping, irradiation and packing facilities etc.

III. The above mentioned facilities are only illustrative and the exact nature of facilities may vary from project to project based on specific requirements as appraised by the concerned bank. However, it is desirable to allocate at least 25% of the eligible project cost towards creation of above mentioned facilities.

3.3.2 Factory Buildings:

i. Depending on demand in the area, the Integrated Food Park may provide standard factory sheds for Micro and Small Enterprises (MSEs) which are to be built on a maximum of 10% of the area of IFP as part of plug and play facilities for MSEs.

3.3.3 Enabling Basic Infrastructure:

i. It will include site development including development of industrial plots, boundary wall, roads, drainage, water supply, electricity supply, effluent treatment plant, telecommunication lines, parking bay including traffic management system, weighbridges etc.

3.3.4 Non-core Infrastructure:

i. It will consist of support infrastructure such as administrative buildings, training centre including equipment, trade and display centre, crèche, canteen, worker's hostel, offices of service providers, labour rest and recreation facilities, marketing support system, etc. However, the cost of non-core infrastructure facilities not exceeding 10 % of the eligible project cost, would be eligible for grant purpose.

3.3.5 Project Implementation Expenses:

i. This would include cost of hiring the services of domain consultants by the SPV's for preparation of DPRs, supply chain management, engineering/designing and construction supervision etc.

3.3.6 Land:

i. At least 30 acres of land for the project shall be arranged by the SPV either by purchase or on lease of at least 25 years with sub lease eligibility. The registered value of such land would be taken as part of the project cost and contribution/share of the SPV. The GoAP grant shall not be used for procurement/purchase of land.

4. Implementation Process:

4.1. Special Purpose Vehicle (SPV)

4.1.1. The responsibility of execution, ownership and management of the Integrated Food Park would vest with a Special Purpose Vehicle (SPV) registered under the Companies Act.

4.1.2. The Anchor Investor in the SPV holding majority stake, with or without other promoters of the SPV, will be required to set up at least one food processing unit in the park with an investment of not less than Rs. 5 cr.. The Anchor Investor will have at least 51% stake in such processing unit(s).

4.1.3. The Food Processing unit(s) to be set up by the Anchor Investor in the IFP will be completed and commissioned along with the commissioning of the IFP project by the SPV.

4.1.4. The preference for sanctioning assistance under the Scheme may be given to those SPVs which focus on processing of wide range of perishable products

4.2. Eligibility Criteria for SPV

4.2.1. The main eligibility criteria of the SPVs, which shall act as Implementing Agencies (IAs) of the project under the Scheme, are indicated below:

i. SPV shall be a body corporate registered under the Companies Act.
ii. The promoter holding maximum equity in the SPV will be the lead promoter. The lead promoter will be primarily responsible for co-ordination with all stakeholders including with the APFPS to ensure effective implementation of the project.
iii. The combined net worth of the promoters/proposed shareholders of SPV should not be less than Rs.20.00 cr**.** Each member in SPV must have a net worth at least 1.5 times of his/her proposed equity contribution in order to ensure requisite contribution for the project from each shareholder.
iv. The SPV needs to bring in at least 20 percent of the total project cost as equity.
v. Every SPV will publish the user charges/hiring rates for common facilities and lease rental rates for plots and factory buildings for MSEs in the Integrated Food Park on their websites for wider information of the prospective investors. Rate of plots in the Integrated Food Park may also be made available to APFPS for uploading on their website. SPVs are not permitted to sell plots/facilities in Integrated Food Parks and can only give plots/facilities on lease to other food processing units.
vi. The common facilities in the park cannot be sold or leased out. They can only be offered to units on rental basis.

4.2.2. As Implementing Agency, the SPV would be responsible for the following:

i. To formulate the Detailed Project Report (DPR) and execute the project in a transparent, efficient and timely manner.
ii. To procure/purchase land and ensure external infrastructure linkages for the project.
iii. To obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.

iv. To achieve financial closure and ensure completion of the project.
v. To own and maintain the common infrastructure including common facilities.
vi. To receive grant-in-aid under the Scheme, and to ensure its utilization in a transparent and judicious manner.
vii. To maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.

4.3. Program Management Agency (PMA)

4.3.1. APFPS will appoint a Program Management Agency (PMA) to assist it in implementation of the Scheme. The PMA will be a reputed institution with extensive experience in project development, management, financing and implementation of infrastructure projects.

4.3.2. The envisaged role of PMA is as follows:

i. To assist the APFPS in organizing workshops/media campaigns aimed at sensitizing the potential stakeholders about the scheme.
ii. To assist the APFPS in inviting Expression of Interest for projects under the Scheme.
iii. To assist the APFPS in selection of projects through evaluation/appraisal of techno-feasibility reports and DPRs submitted for Integrated Food Park projects. Appraisal of the DPRs will include examination of financial viability and sustainability of Ownership & Management structure of the projects.
iv. To assist in the evaluation of any amendments to the projects/DPRs.
v. To assist the SPVs in achieving financial closure and obtaining necessary clearances from various authorities for the Project.
vi. To assist the APFPS in release of the grant under the Scheme.
vii. To monitor and report the progress of the Mega Food Park projects to the APFPS.
viii. To maintain and update the database of the projects on monthly basis in the software decided by the APFPS.

4.4. Project Management Consultant (PMC)

4.4.1. In addition to the PMA, for ensuring smooth implementation of projects at ground level, APFPS will provide a list of Project Management Consultants (PMC) with experience in preparation of DPRs for large projects and in project implementation. Any of these APFPS's empanelled agencies may be engaged by the SPVs for preparation of DPRs and for assistance in implementation and the cost of which would be considered as one of the eligible components of the project. However, such cost should not exceed 2% (inclusive of taxes) of the eligible grant amount of the project. The list of agencies will be provided by APFPS.

4.4.2. In addition to assisting SPV in finalising business plan and preparing Detailed Project Report for the project, which would meet the guidelines of the Scheme and requirements of banks/financial institutions providing term loan for the project, the envisaged role of PMC, inter-alia, would be as follows :

i. Detailed engineering and design including preparation of detailed cost estimates for various project components/facilities,
ii. Assistance to SPV in preparation of a procurement policy, bid documents and

selection and appointment of contractors/equipment suppliers in a transparent manner, for project construction and supply of plant and machinery,

iii. Monitoring and overseeing the work output of the contractors/equipment suppliers in compliance of the terms and conditions of the contracts/appointments with the objective of ensuring quality, completeness and compatibility of the work carried out in relation to the Project,

iv. Assistance to SPV in preparing all necessary documentation for submission to APFPS in order to facilitate release of funds sanctioned under Scheme

v. Assistance to SPV in submission of Monthly Progress Reports to APFPS in prescribed format.

4.4.3. SPV would enter into an agreement with PMC as per Draft Agreement prepared by the APFPS and any change in PMC later needs to be approved by the APFPS.

4.4.4. While PMC would be working primarily with SPV for smooth implementation of the project, the APFPS may, if required, directly seek reports from PMC on the aspects of project implementation.

4.5. Invitation of Proposals

4.5.1. In response to the notice inviting Expression of Interest (EoI) by APFPS for selection of Projects, a proposal for the proposed Integrated Food Park will be submitted by the promoters/SPV. An illustrative list of points to be covered in the proposal along with E o I is provided at **Annexure-B**. The proposal will be evaluated by the APFPS through the PMA, as per criteria given at **Annexure-C.**

4.5.2. The proposal would have tentatively identified the locations of the CPC and PPCs, availability of land, potential investors for food processing units in the park, proposed level of investment including the estimated project cost and the proposed means of finance, the number and type of food processing units. The proposals having ownership and possession of suitable land with Change in Land Use (CLU) for the project will be given preference.

4.5.3. Suo Motu proposals will also be considered, for which a Swiss Challenge process would be adopted for Sanction.

4.6. In-Principle Approval

4.6.1. The proposal received in response to the EOI proposals will be evaluated by the Program Management Agency (PMA). The applicants will be invited to make a presentation of their proposals before the Screening Committee (SC) to be formed by Govt. of AP for the purpose.

4.6.2. The PMA will undertake evaluation on a scale of 100 points on the basis of EoI proposals while the **SC** will provide their comments / observations on the basis of the presentation made by the applicants. The final evaluation report along with the comments / observations of the S**C** will be placed before the State Level Empowered Committee (SLEC) for consideration of "In-Principle Approval" to the projects. The evaluation criteria for PMA is placed at Annexure-C.

4.6.3. If the SPVs fail to submit the requisite DPRs along with other documents needed for Final Approval, within 6 months from the date of issue of "In-Principle Approval", the "In-Principle Approval" will be automatically cancelled, unless extension of time is granted by the APFPS.

4.7. Final Approval

4.7.1. Project will be accorded Final Approval on fulfilment of the following conditions:

i. Submission of Detailed Project Report (DPR) consisting of technical, commercial, financial and management aspect of the project and its appraisal/recommendations of the PMA and Screening Committee. The DPR should include cluster analysis depicting availability of raw materials, legible contour survey report and contour plan/maps of the proposed land, site analysis for element like soil analysis, flood history, onsite features etc. for realistic cost estimate of land development and construction, detailed master plan along with sectional drawings and building plan with legends giving clear picture/title of drawings and other relevant details, construction cost certified by Chartered Engineer, cost of plant and equipment backed with quotations from equipment and machinery suppliers etc. and its appraisal/recommendations of PMA and Screening Committee.

ii. Submission of proof for possession of at least 50 acres of contiguous land by the SPV for the CPC. The land should have permission for change of land use for industrial /infrastructure purposes.

iii. Submission of proof for incorporation of SPV and execution of Share Subscription Agreement (SSA) amongst the members of SPV, as per draft SSA to be given by the APFPS.

iv. Plan to fund the project duly supported by proposed equity contribution clearly suggesting respective cash contribution from each of the shareholders in proportion to their equity holding and sanction letter of term loan from the bank along with bank appraisal report.

v. Proof of appointment of Project Management Consultant (PMC). The PMC for the project should be selected from the agencies empanelled by APFPS.

5. Dovetailing of Assistance and Revisions in Project Cost

5.1. Considering the complexities and challenges associated with a supply chain linked agricultural infrastructure projects of this nature, the SPV may dovetail assistance available under various other schemes of Central and State Governments, which would improve the viability of the projects. While dovetailing such assistance, it will be ensured that there is no duplication of assistance for the same component/activity of the project.

5.2. The revision in project cost after final approval of the project shall be considered by the SLEC.

6. Release of Funds

6.1. Once the project is accorded Final Approval by the SLEC the grant will be released by the APFPS subject to fulfilment of conditions prescribed for each instalment as below:

6.1.1. First Instalment of 20 percent of total grant under the Scheme will be released subject to fulfilment of following criteria:

i. Establishment of Trust and Retention Account and signing of the TRA Agreement with any Schedule - A Commercial Bank and Regional Rural Banks (RRB). Draft TRA Agreement, clearly giving mode of account operation and duties/responsibilities of lending bank, SPV and PMC, would be shared by the APFPS with SPV.

ii. Representative of State Government will be appointed as a nominee on the board of the SPV. Tenure of the nominee will be co-terminus to the operationalization of the project.
iii. Proof of increase in authorized capital of SPV to allow stipulated equity contribution as per approved means of finance for the project.
iv. Expenditure certificate from Chartered Accountant confirming expenditure of at least 10 percent of the eligible project cost.
v. Award of contracts worth at least equivalent to 30 percent of total project cost including at least 20 percent of approved components of basic enabling infrastructure.
vi. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.2. Second Instalment representing 30 percent of approved grant assistance will be released to SPV subject to fulfilment of following criteria:

i. Utilization Certificate for the 1st instalment.
ii. Proof of proportionate expenditure by SPV (including term loan and equity) of the eligible project cost equivalent to percentage of grant released as 1st instalment.
iii. Proof of proportionate contribution by SPV (including term loan and equity) in TRA account, of the eligible project cost equivalent to percentage of grant to be released as 2nd instalment.
iv. Proof of commencement of construction of Standard Design Factory sheds for SMEs.
v. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.3. Third Instalment representing 30 percent of approved grant assistance will be released to SPV subject to fulfilment of following criteria:

i. Utilization Certificate for the grant released as 2nd instalment.
ii. Proof of proportionate expenditure by SPV (including term loan and equity) of the eligible project cost equivalent to grant released as 2nd instalment.
iii. Proof of proportionate contribution by SPV (including term loan and equity) in TRA account, of the eligible project cost equivalent to percentage of grant to be released as 3rd instalment.
iv. Certificate from PMC confirming completion of at least 40 percent of the total proposed cost as per approved DPR
v. Certificate from PMC confirming completion of at least 50 per cent construction of Standard Design Factory sheds for SMEs
vi. Proof of allotment of at least 25 per cent of total allotable plots.
vii. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.4. Fourth and final Instalment representing 20 percent of approved grant assistance will be released to SPV subject to successful completion of project and commencement of operations. The criteria for completion of project are as follows:

i. Utilization Certificate for the grant released as 3rd instalment.
ii. Proof of expenditure of 100% envisaged contribution of SPV including term loan and equity on the approved project components.
iii. Certificate from PMC confirming completion of the project as per approval.
iv. Proof of allotment of at least 75 percent of total allotable plots and commencement of operations in at least 25 percent of the units.
v. Completion and Commissioning of the Processing unit (s) of the Anchor Investor in the Park.
vi. Recommendation of PMA confirming the fulfilment of above conditions.

6.2. Separate bank account as stipulated in Trust & Retention Account (TRA) Agreement shall be kept by the SPV for the funds released by Government of Andhra Pradesh.

6.3. In the event of any SPV withdrawing from executing a project before utilizing the Government assistance, the SPV has to immediately return the Government assistance together with the interest accrued thereon, in accordance with provision laid under GFR 19 as defined by Government of India.

6.4. SPV shall have to submit a Utilization Certificate (UC) for utilization of amount of grant released by the Government as per provisions of General Financial Rules. A format of the Utilization Certificate (UC) is given as per Annexure-E

7. Time Schedule

7.1. The time schedule for completion and operationalization of project will be 24 months from the date of issuance of final approval and 10 months for submission of documents for release of 1st instalment unless extended by SLEC for the reasons to be recorded.

7.2. The SPV shall make all possible efforts to complete the projects as per the stipulated timelines committed to while seeking approval for the project. In case of non-adherence to stipulated timeline, except in case of force de majeure or reasons beyond the control of SPV, the SLEC may consider imposing appropriate penalty in terms of reducing the grant amount, on case to case basis.

8. Project Monitoring and Evaluation

The APFPS will periodically review the progress of the projects under the Scheme. The PMA would devise a suitable project monitoring system and shall furnish monthly reports/returns to the APFPS on the progress of the approved projects. In so far as interpretation of any of the provisions of these Guidelines is concerned, the decision of the SLEC shall be final.

Annexure-B

The list of the Points / Information to be covered in the EoIs / Proposals

(The objective of this Checklist is to facilitate the potential promoters to submit the proposal covering the salient features of the proposed Project, to enable the assessment of the project against the criterion as listed in Annexure B)

1. Profiles of the Promoters who will be the key shareholders of the Proposed SPV

1.1. Names and brief profiles of the proposed promoters/shareholders of SPV along with their contact details.

1.2. Indicate the nature and location of existing operations of the Promoters.

1.3. Audited balance sheets for last 3 years or Chartered Accountant (CA) Certificates that would establish the net worth of each of the promoters. In case of companies, CA certificates need to be certified by their statutory auditors.

1.4. Experience of the key promoters related to food processing industry and related infrastructure development, particularly the relative strengths of each of the promoters that will help in the smooth execution of MFP.

1.5. A brief note as to why the promoters are keen to undertake the Integrated Food Park project, their vision etc.

1.6. In case the SPV is already registered, the details of the SPV including shareholding pattern.

1.7. Any other relevant information that would establish the credentials and suitability of the promoters in the context of the Scheme.

2. Profile of the Proposed Project

2.1. Rationale for proposed cluster/location in terms of availability of agricultural produces and marketable surplus, with focus on perishable produces.

2.2. Proposed Area and availability of requisite land for establishment of IMF along with tentative layout.

2.3. selection of site needs to be justified in terms of connectivity and availability of basic infrastructure including power, water, approach road etc.

2.4. In case of land being available with promoter(s), proof of possession of land in form of sale deed/lease deed (CLU if applicable).

2.5. Details of the proposed core infrastructure facilities and rationale for their selection in terms of availability of raw materials/market and type of food processing units being targeted.

2.6. Details of proposed enabling basic infrastructure including requirements of basic utilities like power, water, effluent treatment along with rationale in terms of overall business plan

2.7. Details of proposed non-core infrastructure and their justification

2.8. Above details for various project components should include area required, estimated capacities and costs for various facilities

2.9. Proposed strategy/methodology for building supply chain to ensure supply of raw materials, particularly fruits and vegetables, to the food processing units inside CPC, including estimated quantities

2.10. Proof of backward and forward linkages in terms of letters of intent from farmers' bodies and food processors respectively

2.11. Estimated turnover of the proposed food processing industry units covered in the project, after successful execution of the project

2.12. Estimated employment generation out of implementation of the project, and other impact on the industry and farm produce in the project area

2.13. Investment details, mix of the products and processes and area requirement of the processing unit(s) to be set up by the Anchor Investor in the park.

2.14. Any other related information.

3. Project Financials and Business Plan

3.1. Summary of estimated cost of each of the eligible components of the project for funding by Government as outlined in the Scheme

3.2. Proposed means of finance to fund the project: equity, debt etc

3.3. The amount of grant support needed for the project, as per the Scheme

3.4. Tie-ups with Financial Institutions/Banks, if any, for funding of the Project

3.5. Proposed Business Plan –Estimated revenue sources and assumptions, Estimated operating costs and assumptions, Projected profit and loss statements, balance sheets and cash flows based on these assumptions

3.6. Key financial indicators such as IRR, DSCR based on above financial assumptions

Annexure-C

Illustrative Criterion for Assessment/ Evaluation of EoIs/ Proposals Criteria for Evaluation of Proposals/EoIs by Programme Management Agency (PMA)

S.No.	Criteria	Maximum Score
1	**Viability of the Cluster**	**15**
1a	Adequate volume of raw materials/days of operation in a year	5
1aa	200 to 250 days	2
1ab	251 to 300 days	3
1ac	More than 300 days	5
1b	Mix/variety of raw materials	5
1ba	5 to 10 crops	3
1bb	More than 10 crops	5
1c	Agreement/arrangements of raw materials	5
1ca	Absence of backward linkages (strategy/proof not given)	0
1cb	Proposed backward linkages (Copy of MoU/Agreements provided)	3
1cc	Existing backward linkages in the proposed cluster (Copy of MoU/Agreements provided)	5
2	**Proposed Investment in Core Infrastructure Facilities**	**10**
2a	Up to Rs. 20 Crores	5
2b	Rs. 20 Crores to Rs. 40 Crores	8
2c	More than Rs. 40 Crores	10
3	**Possession of appropriate land**	**25**
3a	Land identified, but not acquired	0
3b	Agreement to Sale/Purchase of more than 30 acres of Land	5
3c	More than 30 acres of land available with one or more promoters	10
3d	Allotment letter from State Govt. Agencies to the SPV or its member(s)	15
3e	Complete title and possession of more than 30 acres of land in the name of SPV	20
3f	Complete title and possession of more than 30 acres of land in the name of SPV along with CLU	25
4	**Investment by Anchor Investor in Food Processing Unit(s)**	**10**
4a	Up to Rs 5 crore	0
4b	Rs 5 crore or 10 crore	5
4c	Rs 10 crore or more	10
5	**Cumulative Net Worth of Promoters/Shareholder of the SPV**	**20**
5a	Rs. 20 Cr to Rs. 40 Cr	5
5b	Rs. 40 to 60 Cr	10
5c	Rs. 60 to 80 Cr	15
5d	More than Rs. 80 Cr	20
6	**Focus on Core Infrastructure facilities**	**10**
6a	Less than 30 percent of total investment	0
6b	30 to 50 percent of total investment	5
6c	50 percent or more of total investment	10
7	**Investment in basic infrastructure facilities**	**10**
7a	Less than 10 percent	0
7b	10 percent and 20 percent	5
7c	20 percent and more	10
Total Points		**100**

Scheme of Mega Food Parks

1. Objectives:

1.1. The primary objective of the Mega Food Park Scheme (MFPS) is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market. It will include creation of processing infrastructure near the farm, transportation, logistics and centralized processing centres. The main feature of the Scheme is a cluster based approach. The scheme will be demand-driven, and will facilitate food processing units to meet environmental and safety standards.

1.2. The expected outcome is increased realization for farmers, creation of high quality processing infrastructure, reduction in wastage, capacity building of producers and processors and creation of an efficient supply chain along with significant direct and indirect employment generation

2. Salient Features of the Scheme

2.1. The Scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which would include collection centers, primary processing centres and cold chain infrastructure. The food processing units, under the Scheme, would be located at a Central Processing Centre (CPC) with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centres, etc.

2.2. The extent of land required for establishing the CPC is minimum of 50 acres, though the actual requirement of land would depend upon the business plan of investor(s), which may vary from region to region. CPC would be supported by Primary Processing Centers (PPC) and Collection Centres (CCs) in identified locations based on a techno-feasibility study, adequate to meet the raw material requirements of the CPC. The land required for setting up of PPCs and CCs at various locations would be in addition to land required for setting up the CPC.

2.3. It is expected that on an average, each project may have around 20 food processing units with a collective investment of around Rs 250 cr. that would eventually lead to an annual turnover of about Rs 500 cr. and creation of direct and indirect employment of about 30,000 persons. However, the actual configuration of the project may vary depending upon the business plan for each Mega Food Park. The aggregate investment in CPC, PPCs and CCs should be proportionate and commensurate to the size of the total project keeping in view the economies of scale

2.4. The spirit of the guidelines of the Mega Food Parks Scheme is to facilitate setting up of only food processing industries. Accordingly, only food processing industries that make food products fit for human/animal consumption may be permitted to be set up in the Mega Food Parks. Packaging facilities of food products as ancillary to the food processing industries may also be allotted land in the Mega Food Parks

3. Pattern of Assistance

3.1. The Scheme shall provide a capital grant at the rate of 50 % of the eligible project cost* subject to a maximum of Rs.50 cr. per project

* *The eligible project cost is defined as total project cost but excluding cost of land, pre- operative expenses and margin money for working capital. However, interest during construction (IDC) as part of preoperative expenses and fee to Project management consultant (PMC) up to 2% of the approved grant would be considered under eligible project cost*

3.2. In the interest of expeditious implementation of the projects, the APFPS would engage a Program Management Agency (PMA) to provide management, capacity building, coordination and monitoring support. For meeting the cost of the above and also other promotional activities by the APFPS, office expenses & travel expenses related to the scheme amounting up to 5% of the overall grant available, will be earmarked.

3.3. The project cost for the purpose of eligibility under this Scheme would consist of the following components:

3.3.1 Core Processing Facilities:

i. **Central Processing Centre**: Cost of civil work & equipments for common facilities like testing laboratory, cleaning, grading, sorting and packing facilities, dry warehouses, specialized storage facilities, cold storage including Controlled Atmosphere Chambers, Pressure Ventilators, variable humidity stores, pre-cooling chambers, ripening chambers, demo plot with agri extension team in 5% of the total area etc., skill development training facilities suiting to the requirements of Processing Units coming up in the Food Park, cold chain infrastructure including reefer vans, packaging unit, irradiation facilities, steam sterilization units, steam generating units, Food incubation cum development centres etc.

ii. **Primary Processing Centres and Farm Proximate Collection Centres**: These shall have components like cleaning, grading, sorting and packing facilities (including equipment), dry warehouses, specialized cold stores including pre-cooling chambers, ripening chambers (including equipment), reefer vans, mobile pre-coolers, mobile collection vans etc.

iii. The above mentioned facilities are only illustrative and the exact nature of facilities may vary from project to project based on specific requirements as appraised by the concerned bank. However, it is desirable to allocate at least 25% of the eligible project cost towards creation of above mentioned core processing facilities.

3.3.2 Factory Buildings:

i. Depending on demand in the area, the Mega Food Park may provide standard factory sheds for Micro and Small Enterprises (MSEs) which are to be built on a maximum of 10% of the area of CPC as part of plug and play facilities for MSEs.

3.3.3 Enabling Basic Infrastructure:

i. it will include site development including development of industrial plots, boundary wall, roads, drainage, water supply, electricity supply, Solid waste management plant, effluent treatment plant, telecommunication lines, parking bay including traffic management system, weighbridges etc at the PPC and CPC level**.** However, of the total proposed cost of Solid waste management plant, cost not exceeding Rs.5 crore shall be considered as eligible project cost for grant assessment.
Note: In MFPI- Mega food park scheme, there will be a provision for establishment of captive power plant with a maximum project cost of Rs.10.00 cr. which is also eligible for grant. In AP Food Processing Policy- Mega food park scheme Solid waste Management plant is added and will be considered for eligible project cost for grant.

3.3.4 Non-core Infrastructure:

i. It will consist of support infrastructure such as administrative buildings, training centre including equipment, trade and display centre, crèche, canteen, worker's hostel, offices of service providers, labour rest and recreation facilities, marketing support system, etc. However, the cost of non-core infrastructure facilities not exceeding 10 % of the eligible project cost, would be eligible for grant purpose.

3.3.5 Project Implementation Expenses:

i. This would include cost of hiring the services of domain consultants by the SPV's for preparation of DPRs, supply chain management, engineering/designing and construction supervision etc.

3.3.6 Land:

i. At least 50 acres of land for the project shall be arranged by the SPV either by purchase or on lease of at least 25 years with sublease eligibility. The registered value of such land would be taken as part of the project cost and contribution/share of the SPV. The Go AP grant shall not be used for procurement/purchase of land.

4. Implementation Process:

4.1. Special Purpose Vehicle (SPV)

4.1.1. The responsibility of execution, ownership and management of the Mega Food Park would vest with a Special Purpose Vehicle (SPV) registered under the Companies Act.

4.1.2. The Anchor Investor in the SPV holding majority stake, with or without other promoters of the SPV, will be required to set up at least one food processing unit in the park with an investment of not less than Rs. 10 cr. The Anchor Investor will have at least 51% stake in such processing unit(s).

4.1.3. The Food Processing unit(s) to be set up by the Anchor Investor in the Mega Food Park will be completed and commissioned along with the commissioning of the Mega Food Park project by the SPV.

4.1.4. The preference for sanctioning assistance under the Scheme may be given to those SPVs which focus on processing of wide range of perishable products

4.2. Eligibility Criteria for SPV

4.2.1. The main eligibility criteria of the SPVs, which shall act as Implementing Agencies (IAs) of the project under the Scheme, are indicated below:

i. SPV shall be a body corporate registered under the Companies Act.
ii. The promoter holding maximum equity in the SPV will be the lead promoter. The lead promoter will be primarily responsible for co-ordination with all stakeholders including with the APFPS to ensure effective implementation of the project.
iii. The combined net worth of the promoters/proposed shareholders of SPV should not be less than Rs.50.00 cr. Each member in SPV must have a net worth at least 1.5 times of his/her proposed equity contribution in order to ensure requisite contribution for the project from each shareholder.
iv. The SPV needs to bring in at least 20 percent of the total project cost as equity.
v. Every SPV will publish the user charges/hiring rates for common facilities and lease rental rates for plots and factory buildings for MSEs in the Mega Food Park on their websites for wider information of the prospective investors. Rate of plots in the Mega Food Park may also be made available to APFPS for uploading on their website. SPVs are not permitted to sell plots/facilities in Mega Food Parks and can only give plots/facilities on lease to other food processing units.
vi. The common facilities in the park cannot be sold or leased out. They can only be offered to units on rental basis.

4.2.2. As Implementing Agency, the SPV would be responsible for the following:

i. To formulate the Detailed Project Report (DPR) and execute the project in a transparent, efficient and timely manner.
ii. To procure/purchase land and ensure external infrastructure linkages for the project.
iii. To obtain statutory approvals/clearances including environmental clearances, which are prerequisite for commencement and operation of the Project.
iv. To achieve financial closure and ensure completion of the project.
v. To own and maintain the common infrastructure including common facilities.
vi. To receive grant-in-aid under the Scheme, and to ensure its utilization in a transparent and judicious manner.
vii. To maintain proper accounts of the project implementation and the maintenance of infrastructure and common facilities after commissioning of the project.

4.3. Program Management Agency (PMA)

4.3.1. The APFPS will appoint a Program Management Agency (PMA) to assist it in implementation of the Scheme. The PMA will be a reputed institution with extensive experience in project development, management, financing and implementation of infrastructure projects.

4.3.2. The envisaged role of PMA is as follows:

i. To assist the APFPS in organizing workshops/media campaigns aimed at sensitizing the potential stakeholders about the scheme.
ii. To assist the APFPS in inviting Expression of Interest for projects under the Scheme.
iii. To assist the APFPS in selection of projects through evaluation/appraisal of techno-feasibility reports and DPRs submitted for Mega Food Park projects. Appraisal of the DPRs will include examination of financial viability and sustainability of Ownership & Management structure of the projects.
iv. To assist in the evaluation of any amendments to the projects/DPRs.
v. To assist the SPVs in achieving financial closure and obtaining necessary clearances from various authorities for the Project.
vi. To assist the APFPS in release of the grant under the Scheme.
vii. To monitor and report the progress of the Mega Food Park projects to the APFPS.
viii. To maintain and update the database of the projects on monthly basis in the software decided by the APFPS.

4.4. Project Management Consultant (PMC)

4.4.1. In addition to the PMA, for ensuring smooth implementation of projects at ground level, APFPS will provide a list of Project Management Consultants (PMC) with experience in preparation of DPRs for large projects and in project implementation. Any of these APFPS's empanelled agencies may be engaged by the SPVs for preparation of DPRs and for assistance in implementation and the cost of which would be considered as one of the eligible components of the project. However, such cost should not exceed 2% (inclusive of taxes) of the eligible grant amount of the project. The list of agencies will be provided by APFPS.

4.4.2. In addition to assisting SPV in finalising business plan and preparing Detailed Project Report for the project, which would meet the guidelines of the Scheme and requirements of banks/financial institutions providing term loan for the project, the envisaged role of PMC, inter-alia, would be as follows :

i. Detailed engineering and design including preparation of detailed cost estimates for various project components/facilities,
ii. Assistance to SPV in preparation of a procurement policy, bid documents and selection and appointment of contractors/equipment suppliers in a transparent manner, for project construction and supply of plant and machinery,
iii. Monitoring and overseeing the work output of the contractors/equipment suppliers in compliance of the terms and conditions of the contracts/appointments with the objective of ensuring quality, completeness and compatibility of the work carried out in relation to the Project,
iv. Assistance to SPV in preparing all necessary documentation for submission to APFPS in order to facilitate release of funds sanctioned under Scheme
v. Assistance to SPV in submission of Monthly Progress Reports to APFPS in prescribed format.

4.4.3. SPV would enter into an agreement with PMC as per Draft Agreement prepared by the APFPS and any change in PMC later needs to be approved by the APFPS.

4.4.4. While PMC would be working primarily with SPV for smooth implementation of the project, the APFPS may, if required, directly seek reports from PMC on the aspects of project implementation.

4.5. **Invitation of Proposals**:

4.5.1. In response to the notice inviting Expression of Interest (EoI) by APFPS for selection of Projects, a proposal for the proposed Mega Food Park will be submitted by the promoters/SPV. An illustrative list of points to be covered in the proposal along with E o I is provided at **Annexure-B**. The proposal will be evaluated by the APFPS through the PMA, as per illustrative criteria given at **Annexure-C.**

4.5.2. The proposal would have tentatively identified the locations of the CPC and PPCs, availability of land, potential investors for food processing units in the park, proposed level of investment including the estimated project cost and the proposed means of finance, the number and type of food processing units, and requisite backward and forward linkages. The proposals having ownership and possession of suitable land with Change in Land Use (CLU) for the project will be given preference.

4.5.3. **Suo Motu proposals will also be considered, for which a Swiss Challenge process would be adopted for Sanction**

4.6. **In-Principle Approval**

4.6.1. The proposal received in response to the EOI proposals will be evaluated by the Program Management Agency (PMA). The applicants will be invited to make a presentation of their proposals before the Screening Committee (SC) to be formed by Govt. of AP for the purpose.

4.6.2. The PMA will undertake evaluation on a scale of 100 points on the basis of EoI proposals while the SC will provide their comments / observations on the basis of the presentation made by the applicants. The final evaluation report along with the comments / observations of the SC will be placed before the State Level Empowered Committee (SLEC) for consideration of “In-Principle Approval” to the projects. The evaluation criteria for PMA is placed at Annexure-C.

4.6.3. If the SPVs fail to submit the requisite DPRs along with other documents needed for Final Approval, within 6 months from the date of issue of "In-Principle Approval", the "In-Principle Approval" will be automatically cancelled, unless extension of time is granted by the APFPS.

4.7. **Final Approval**

4.7.1. Project will be accorded Final Approval on fulfilment of the following conditions:

i. Submission of Detailed Project Report (DPR) consisting of technical, commercial, financial and management aspect of the project and its appraisal/recommendations of the PMA and Screening Committee. The DPR should include cluster analysis depicting availability of raw materials, legible contour survey report and contour plan/maps of the proposed land, site analysis for element like soil analysis, flood history, onsite features etc. for realistic cost estimate of land development and construction, detailed master plan along with sectional drawings and building plan with legends giving clear picture/title of drawings and other relevant details, construction cost certified by Chartered Engineer, cost of plant and equipment backed with quotations from equipment and machinery suppliers etc. and its appraisal/ recommendations of PMA and Screening Committee.

ii. Submission of proof for possession of at least 50 acres of contiguous land by the SPV for the CPC. The land should have permission for change of land use for industrial /infrastructure purposes.

iii. Submission of proof for incorporation of SPV and execution of Share Subscription Agreement (SSA) amongst the members of SPV, as per draft SSA to be given by the APFPS.

iv. Plan to fund the project duly supported by proposed equity contribution clearly suggesting respective cash contribution from each of the shareholders in proportion to their equity holding and sanction letter of term loan from the bank along with bank appraisal report.

v. Proof of appointment of Project Management Consultant (PMC). The PMC for the project should be selected from the agencies empanelled by APFPS.

5. Dovetailing of Assistance and Revisions in Project Cost

5.1. Considering the complexities and challenges associated with a supply chain linked agricultural infrastructure projects of this nature, the SPV may dovetail assistance available under various other schemes of Central and State Governments, which would improve the viability of the projects. While dovetailing such assistance, it will be ensured that there is no duplication of assistance for the same component/activity of the project.

5.2. The revision in project cost after final approval of the project shall be considered by the SLEC.

6. Release of Funds

6.1. Once the project is accorded Final Approval by the SLEC the grant will be released by the APFPS subject to fulfilment of conditions prescribed for each instalment as below:

6.1.1. First Instalment of 30 percent of total grant under the Scheme will be released subject to fulfilment of following criteria:

i. Establishment of Trust and Retention Account and signing of the TRA Agreement with any Schedule - A Commercial Bank and Regional Rural Banks (RRB). Draft TRA Agreement, clearly giving mode of account operation and duties/responsibilities of lending bank, SPV and PMC, would be shared by the APFPS with SPV.
ii. Representative of State Government will be appointed as a nominee on the board of the SPV. Tenure of the nominee will be co-terminus to the operationalization of the project.
iii. Proof of increase in authorized capital of SPV to allow stipulated equity contribution as per approved means of finance for the project.
iv. Expenditure certificate from Chartered Accountant confirming expenditure of at least 10 percent of the eligible project cost.
v. Award of contracts worth at least equivalent to 30 percent of total project cost including at least 20 percent of approved components of basic enabling infrastructure.
vi. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.2. Second Instalment representing 30 percent of approved grant assistance will be released to SPV subject to fulfilment of following criteria:

i. Utilization Certificate for the 1st instalment.
ii. Proof of proportionate expenditure by SPV (including term loan and equity) of the eligible project cost equivalent to percentage of grant released as 1st instalment.
iii. Proof of proportionate contribution by SPV (including term loan and equity) in TRA account, of the eligible project cost equivalent to percentage of grant to be released as 2nd instalment.
iv. Submission of documents in lieu of proof of possession of land for all PPCs along with construction schedule.
v. Proof of commencement of construction of Standard Design Factory sheds for SMEs.
vi. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.3. Third Instalment representing 20 percent of approved grant assistance will be released to SPV subject to fulfilment of following criteria:

i. Utilization Certificate for the grant released as 2nd instalment.
ii. Proof of proportionate expenditure by SPV (including term loan and equity) of the eligible project cost equivalent to grant released as 2nd instalment.
iii. Proof of proportionate contribution by SPV (including term loan and equity) in TRA account, of the eligible project cost equivalent to percentage of grant to be released as 3rd instalment.
iv. Certificate from PMC confirming completion of at least 40 percent of construction of PPCs and proof of expenditure of at least 40 percent of the total proposed cost for PPCs as per approved DPR
v. Certificate from PMC confirming completion of at least 50 per cent construction of Standard Design Factory sheds for SMEs
vi. Proof of allotment of at least 25 per cent of total allotable plots.
vii. Recommendation of PMA confirming the fulfilment of above conditions.

6.1.4. Fourth and final Instalment representing 20 percent of approved grant assistance will be released to SPV subject to successful completion of project and commencement of operations. The criteria for completion of project are as follows:

i. Utilization Certificate for the grant released as 3rd instalment.
ii. Proof of expenditure of 100% envisaged contribution of SPV including term loan and equity on the approved project components.
iii. Certificate from PMC confirming completion of the project as per approval.
iv. Proof of allotment of at least 75 percent of total allotable plots and commencement of operations in at least 25 percent of the units.
v. Completion and Commissioning of the Processing unit (s) of the Anchor Investor in the Park.
vi. Recommendation of PMA confirming the fulfilment of above conditions.

6.2. Separate bank account as stipulated in Trust & Retention Account (TRA) Agreement shall be kept by the SPV for the funds released by Government of Andhra Pradesh.

6.3. In the event of any SPV withdrawing from executing a project before utilizing the Government assistance, the SPV has to immediately return the Government assistance together with the interest accrued thereon, in accordance with provision laid under GFR 19 as defined by Government of India.

6.4. SPV shall have to submit a Utilization Certificate (UC) for utilization of amount of grant released by the Government as per provisions of General Financial Rules. A format of the Utilization Certificate (UC) is given as per Annexure-E

7. Time Schedule

7.1. The time schedule for completion and operationalization of project will be 30 months from the date of issuance of final approval and 10 months for submission of documents for release of 1st instalment unless extended by SLEC for the reasons to be recorded.

7.2. The SPV shall make all possible efforts to complete the projects as per the stipulated timelines committed to while seeking approval for the project. In case of non-adherence to stipulated timeline, except in case of force de majeure or reasons beyond the control of SPV, the SLEC may consider imposing appropriate penalty in terms of reducing the grant amount, on case to case basis.

8. Project Monitoring and Evaluation

The APFPS will periodically review the progress of the projects under the Scheme. The PMA would devise a suitable project monitoring system and shall furnish monthly reports/returns to the APFPS on the progress of the approved projects. In so far as interpretation of any of the provisions of these Guidelines is concerned, the decision of the SLEC shall be final.

Annexure-B

The list of the Points / Information to be covered in the E o Is / Proposals

(The objective of this Checklist is to facilitate the potential promoters to submit the proposal covering the salient features of the proposed Project, to enable the assessment of the project against the criterion as listed in Annexure B)

1. Profiles of the Promoters who will be the key shareholders of the Proposed SPV

1.1. Names and brief profiles of the proposed promoters/shareholders of SPV along with their contact details.
1.2. Indicate the nature and location of existing operations of the Promoters.
1.3. Audited balance sheets for last 3 years or Chartered Accountant (CA) Certificates that would establish the net worth of each of the promoters. In case of companies, CA certificates need to be certified by their statutory auditors.
1.4. Experience of the key promoters related to food processing industry and related infrastructure development, particularly the relative strengths of each of the promoters that will help in the smooth execution of MFP.
1.5. A brief note as to why the promoters are keen to undertake the Mega Food Park project, their vision etc.
1.6. In case the SPV is already registered, the details of the SPV including shareholding pattern.
1.7. Any other relevant information that would establish the credentials and suitability of the promoters in the context of the Scheme.

2. Profile of the Proposed Project

2.1. Rationale for proposed cluster/location in terms of availability of agricultural produces and marketable surplus, with focus on perishable produces.
2.2. Proposed Area and availability of requisite land for establishment of central processing centre(CPC), primary processing centres (PPCs) and collection centres (CCs) along with tentative layout of the CPC and a typical PPC/ CC.
2.3. In case of CPC, selection of site needs to be justified in terms of connectivity and availability of basic infrastructure including power, water, approach road etc.
2.4. In case of land being available with promoter(s), proof of possession of land in form of sale deed/lease deed (CLU if applicable).
2.5. Details of the proposed core processing facilities (both at CPC and PPCs) and rationale for their selection in terms of availability of raw materials/market and type of food processing units being targeted.
2.6. Details of proposed enabling basic infrastructure including requirements of basic utilities like power, water, effluent treatment (both at CPC and PPCs) along with rationale in terms of overall business plan
2.7. Details of proposed non-core infrastructure (both at CPC and PPCs) and their justification
2.8. Above details for various project components should include area required, estimated capacities and costs for various facilities
2.9. Proposed strategy/methodology for building supply chain to ensure supply of raw materials, particularly fruits and vegetables, to the food processing units inside CPC, including estimated quantities
2.10. Proof of backward and forward linkages in terms of letters of intent from farmers' bodies and food processors respectively
2.11. Estimated turnover of the proposed food processing industry units covered in the

project, after successful execution of the project

2.12. Estimated employment generation out of implementation of the project, and other impact on the industry and farm produce in the project area

2.13. Investment details, mix of the products and processes and area requirement of the processing unit(s) to be set up by the Anchor Investor in the park.

2.14. Any other related information.

3. Project Financials and Business Plan

3.1. Summary of estimated cost of each of the eligible components of the project for funding by Government as outlined in the Scheme

3.2. Proposed means of finance to fund the project: equity, debt etc

3.3. The amount of grant support needed for the project, as per the Scheme

3.4. Tie-ups with Financial Institutions/Banks, if any, for funding of the Project

3.5. Proposed Business Plan –Estimated revenue sources and assumptions, Estimated operating costs and assumptions, Projected profit and loss statements, balance sheets and cash flows based on these assumptions

3.6. Key financial indicators such as IRR, DSCR based on above financial assumptions

Annexure-C

Illustrative Criterion for Assessment/ Evaluation of E o Is/ Proposals Criteria for Evaluation of Proposals/E o Is by Programme Management Agency (PMA)

S. No.	Criteria	Maximum Score
1	**Viability of the Cluster**	**15**
1a	Adequate volume of raw materials/days of operation in a year	5
1aa	200 to 250 days	2
1ab	251 to 300 days	3
1ac	More than 300 days	5
1b	Mix/variety of raw materials	5
1ba	5 to 10 crops	3
1bb	More than 10 crops	5
1c	Agreement/arrangements of raw materials	5
1ca	Absence of backward linkages (strategy/proof not given)	0
1cb	Proposed backward linkages (Copy of M o U/Agreements provided)	3
1cc	Existing backward linkages in the proposed cluster (Copy of M o U/Agreements provided)	5
2	**Proposed Investment in Core Processing Facilities**	**10**
2a	Up to Rs. 50 Cr.	5
2b	Rs. 50 Cr. to Rs. 100 Cr.	8
2c	More than Rs. 100 Cr.	10
3	**Possession of appropriate land**	**25**
3a	Land identified, but not acquired	0
3b	Agreement to Sale/Purchase of more than 50 acres of Land	5
3c	More than 50 acres of land available with one or more promoters	10
3d	Allotment letter from State Govt. Agencies to the SPV or its member(s)	15
3e	Complete title and possession of more than 50 acres of land in the name of SPV	20
3f	Complete title and possession of more than 50 acres of land in the name of SPV along with CLU	25
4	**Investment by Anchor Investor in Food Processing Unit(s)**	**10**
4a	Up to Rs 10 cr.	0
4b	Rs 15 cr. or more	5
4c	Rs 20 cr. or more	10
5	**Cumulative Net Worth of Promoters/Shareholder of the SPV**	**20**
5a	Rs. 50 Cr to Rs. 100 Cr	5
5b	Rs. 101 to 150 Cr	10
5c	Rs. 151 to 200 Cr	15
5d	More than Rs. 200 Cr	20
6	**Focus on perishables in Core Processing facilities at CPC and PPCs**	**10**
6a	Less than 30 percent of total investment in Core Processing facilities	0
6b	30 to 50 percent of total investment in Core Processing facilities	5
6c	50 percent or more of total investment in Core Processing facilities	10
7	**Investment in PPCs as percentage of total eligible Project cost**	**10**
7a	Less than 10 percent	0
7b	10 percent and more	5
7c	20 percent and more	10
Total Points		**100**

Scheme for Setting up of Cold Chain for Agri / Horti / Dairy / Meat produce

1. Objectives:

1.1 The objective of the scheme is to provide integrated and complete cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer from the production site to the market. Pre-cooling facilities at production sites, reefer vans, and mobile cooling units also assisted under the Integrated Cold Chain projects. Scheme helps linking groups of producers to the processors and market through well equipped supply chain.

2. Components of the Scheme:

2.1 The Scheme have the following components:

(a) Minimal Processing Centre at the farm level with facility for weighing, sorting, grading waxing, packing, pre-cooling, Control Atmosphere (CA)/ Modified Atmosphere (MA) cold storage, normal storage and Individual Quick Freeze (IQF);

(b) Mobile pre-cooling vans and reefer trucks;

(c) Distribution hubs with Control Atmosphere (CA)/ Modified Atmosphere (MA) chambers/ cold storage/ Variable Humidity Chambers, Packing facility, Cleaning in Process (CIP) Fog treatment, Individual Quick Freeze(IQF) and blast freezing;

(d) Irradiation facility.

2.2 Irradiation facilities may also cover warehousing, cold storage facilities etc. for storage of raw material and finished products for efficient utilization of the facility.

2.3 To avail financial assistance under the scheme, any two of the components from among (a), (b) or (c) above have to be set-up by the entrepreneurs considering the functional nature of the facility. Irradiation facility can be treated as a standalone one for the purpose of availing grant

3. Eligible Sectors:

Following industries are eligible to be covered under the scheme:

(a) Horticulture- All fruits & vegetables products etc.
(b) Agriculture - Agri. products.
(c) Dairy– All milk and milk products, etc.
(d) Meat– All meat and meat products etc.
(e) Any other horticultural & agricultural food products requiring integrated cold chain.

Note:
The cold chain scheme under NMFP is for Non-horticulture produce only. In AP Food Processing Policy, all sectors are covered except Marine / Fisheries.

4. Invitation & Selection of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given at serial no:12. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

5. Eligibility Conditions:

The eligibility conditions of applicants are asunder:

5.1. The applicant should have sound financial back ground. The net worth of the applicant(s) should be more than 1.5 times of the grant applied for.

5.2. The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.

5.3. Project Appraisal Report from Bank/Financial Institution must contain the entire project components for which grant are sought.

5.4. Date of commercial production should not be prior to the date of submission of application.

5.5. No second proposal from the same applicant/ company would be considered.

5.6. Those units which obtain term loan on subsidized interest rates is eligible for investment subsidy only.

6. Ineligible components:

6.1 The following items of civil works will not be considered for grant-in-aid (The list is only indicative and not exhaustive)

a. Compound wall
b. Approach Road
c. Cost of Land and Its development
d. Any residential building or rest room / guest house
e. Canteen
f. Labour Rest Room and quarters for workers
g. Security/Guard Room or enclosure
h. Consultancy Fee, taxes, etc.,
i. Non-technical civil works not directly related to cold chain or storage infrastructure.

6.2 The following items of Plant and machinery will not be considered for for grant-in-aid (The list is only indicative and not exhaustive)

a. Margin money, working capital and contingencies
b. Fuel, consumables, spares and stores
c. Computers and allied office furniture
d. Transport vehicles other than the Reefer trucks /vans/ refrigerated carrier/ insulated milk tankers.
e. Second hand/old machines
f. All types of service charges, carriage and freight charges
g. Closed Circuit TV Camera and security system related equipment
h. Consultancy Fee, Taxes, Freights, etc.
i. Stationery items
j. Plant & Machinery not directly related to cold chain or storage infrastructure.

7. Financial assistance:

(i) Grant-in-aid: Grant-in-aid is permitted @ 35 per cent of the bank appraised project cost including Interest during Construction (IDC), subject to a maximum of Rs. 5 crore per project. The cost of land and pre-operative expenses will not be eligible for the purpose of calculation of grant-in-aid.

(ii) Interest-subsidy: The interest subvention is extended for a period of 5 years from the date of completion of the project. Every year the interest subsidy @ 7 per cent will be paid to the Bank/FI directly against the term loan sanctioned by it, subject to a maximum of Rs. 2 cr. per project or actual interest accrued on term loan, whichever is less.

7.1 Interest during construction

IDC would be provided to the actual period taken for completion of the project or 18 months from the date of approval of the project, whichever is less.

Note:

In NMFP, 90% Grant-in-aid for Renewable Energy based pilot cold chain projects has given. In A P Food Processing Policy, the sector is not considered.

8. Documents required:

i. Application in the prescribed format (**Annexure-I**)
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions, if any
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Bio-data/background of the office bearers/promoters of the organisation.
vii. Blue Print of the building plan approval
viii. Notarized English version of land document (In case it is in any of the regional languages)
ix. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
x. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
xi. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project
xii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers
xiii. Marketing Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.
xiv. Process Flow diagram
xv. Entrepreneur's Memorandum (EM)
xvi. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running.
xvii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/group company as well as the applicant company itself has not availed any

financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society (APFPS). If yes, the details thereof.

b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

9. Release of Grant: The grant-in-aid amount will be released in three instalments after the beneficiary has spent his share as per the following schedule

9.1 Release of 1st Instalment:

1st instalment of 25% of the total grant under the scheme will be released after ensuring that 25% of the promoters contribution and 25% of the term loan has been spent on the project. The applicant will have to submit the following documents along with the request for the 1st Instalment.

I. **Duly notarized Surety Bond** – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- (**Appendix-A**).
II. **Duly notarized Affidavit** – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- **(Appendix-B).**
III. **Bank Certificate** certifying that they have released 25% of term loan and have no objection on release of 1st instalment of grant being provided by state**(Annexure-C).**
IV. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 25% utilization of Promoters contribution,25% of Term loan**(Appendix-D).**
V. Invoices/receipts from the suppliers/vendors.
VI. Bank statement highlighting the payment made to suppliers
VII. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
VIII. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
IX. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
X. Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.
XI. Submission of Statutory clearances / approvals
   a. Consent for Establishment from Pollution control board
   b. Approval of Building plan
   c. NOC from Gram panchayat

9.2 Release of 2nd Instalment:

The second instalment of 50% of the total grant may be released by the competent authority based on submission of the documents on utilization of the first instalment of the grant released and also the utilization of 75% of the Term Loan and 75% of the Promoter's contribution.

I. **Utilization Certificate –**Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company**(Appendix-E)**
II. **Bank Certificate –** certifying that they have released 75% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by States **. (Annexure F)**

III. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 75% utilization of Promoters contribution,75% of Term loan and1st instalment of released grant. **(Appendix-D)**

IV. **Certificate of the Chartered Engineer (Civil)** for technical civil works indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.

V. **Certificate of the Chartered Engineer (Mech.** for Plant & Machinery indicating item wise progress ,cost, quantity, manufacturer/ supplier and comment on quality.

VI. Bank statement highlighting the payment made to suppliers

VII. Compliance of conditions imposed at the time of release of 1st Instalment of grant, if any.

VIII. Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.

9.3 Release of 3nd Instalment:

The Third and final instalment of the grant may be released by the competent authority based on submission of the documents specified below by the unit the first and second instalment of the grant released and also the utilization of 100% of Term Loan and 100% of Promoter's contribution.

i. **Utilization Certificate –**Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**

ii. **Bank Certificate –** certifying that they have released 100% of term loan and 2nd instalment of grant released by the State. They have no objection in releasing 3rd instalment of grant being released by State **(Annexure-F).**

iii. **Chartered Accountant Certificate –** Actual expenditure incurred on the project showing the means of finances and 100% utilization of Promoters contribution, 100% of Term loan and 2nd instalment of released grant. **(Appendix- D).**

iv. Bank statement highlighting the payment made to suppliers

v. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity ,manufacturer/ supplier and comment on quality.

vi. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.

vii. Compliance of conditions imposed at the time of release of 2nd Instalment of grant, if any.

viii. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.

ix. Before release of 3rd & final instalment of grant-in-aid, eligible grant-in-aid for the project will be re-calculated based on the proposed/appraised /actual cost, whichever is less, for the already approved items and released accordingly.

x. Submission of Statutory clearances / approvals

- *a. Consent for Operations from Pollution control board*
- *b. Approval from Fire & Safety Department*
- *c. License from FSSAI*
- *d. Electricity load release certificate*

9.4 Release of Interest subvention:

The sanctioned Interest subvention is released for every 6 months after completion of every half-year i.e., 31st March for first half year and 30th September for second half year for 5 years from the date of Commercial production after submission of the following documents:

i. Request letter from Promoter
ii. Bank Statement highlighting the interest paid **on term loan** to the Bank
iii. No objection letter from bank for releasing the sanctioned interest subvention.
iv. CA certificate showing the amount of interest paid for **term loan on** monthly / quarterly for the respective 6 months.
v. Production details – month wise (in MTs / KLs)
vi. Sales of the unit – month wise (Rs.in crores)

10. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 18 months from the date of the issue of approval letter unless extended by the competent authority for the reasons to be recorded in writing.

11. Recall of Grant:

The Government will have the authority

a. If the project is not completed in time within the approved project period.
b. If the project is not completed even within the extended project period approved by competent authority.
c. If the institute / organization become non-functional or said activity / organization is closed before 6 years from the date of Commercial operations .In such cases, all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.
d. Break-in-production up to a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the six (6) years continuous production condition by the period of such break.
e. If the unit shall not submit the Audited reports of every financial year for a period of 6 years, with in 4 months from completion of respective financial year.

12. Evaluation Criteria:

The received proposals will be evaluated as per the following given criteria.

S.No.	Criteria			Max Marks
1	**Viability of the cluster**			**25**
	I. Adequate volume and wider mix of raw materials / days of operation in a year		**15**	
	i. Availability of raw materials, product mix & no. of days of operations		5	
	ii. Suitability of project location (s) for proposed operations and their connectivity through road, railways etc.		5	
	iii. Status of Project Land		5	
	Land in possession of the applicant with approval for industrial use	5		
	Land in possession of the applicant without approval for industrial use	3		
	Land not in possession of the applicant but Agreement to sale executed	2		
	II. Agreement / Arrangements for Raw Materials Procurement (Background in Agribusiness & Food Processing)		**10**	
	i. Initiatives already taken for Backward & Forward Linkages		5	
	ii. Experience in Food Processing (existing Food Processing operations)		5	

<table>
<tr><th>S.No.</th><th>Criteria</th><th></th><th>Max Marks</th></tr>
<tr><td>2</td><td colspan="2">Proposed Investment in Core Processing Facilities / Distribution Hub / Value Added Centre / Multi Chamber and Multi Product Cold Storage Facilities</td><td>25</td></tr>
<tr><td></td><td>I. Financial Capability of applicant
<table><tr><td>Net worth more than 5 times of equity</td><td>5</td></tr><tr><td>Net worth is more than 4 but less than 5 times of equity</td><td>4</td></tr><tr><td>Net worth is more than 3 but less than 4 times of equity</td><td>3</td></tr><tr><td>Net worth is more than 2 but less than 3 times of equity</td><td>2</td></tr><tr><td>Net worth is less than 2 times of equity</td><td>1</td></tr></table></td><td>5</td><td></td></tr>
<tr><td></td><td>II. Economic Viability of project based on Bank appraisal (if not given in bank appraisal the same will be taken from DPR)
<table><tr><th>IRR</th><th>Marks</th><th>DSCR</th></tr><tr><td>More than 20%</td><td>5</td><td>Morethan 3.0</td></tr><tr><td>Between 17% to 20%</td><td>4</td><td>Between 2.5 to 2.9</td></tr><tr><td>Between 14% to 16.99%</td><td>3</td><td>Between 2.0 to 2.4</td></tr><tr><td>Between 10% to 13.9%</td><td>2</td><td>Between 1.5 to 1.9</td></tr><tr><td>Less than 10%</td><td>0</td><td>Less than 1.5</td></tr></table></td><td>5</td><td></td></tr>
<tr><td></td><td>III. Extent of Proposed Investment in Cold Chain infra components as compared to processing infrastructure
<table><tr><td>More than 80%</td><td>15</td></tr><tr><td>Between 60% to 80%</td><td>10</td></tr><tr><td>Below 60%</td><td>5</td></tr></table></td><td>15</td><td></td></tr>
<tr><td>3</td><td colspan="2">Proposed Investment in Minimal Porcessing Centre / Farm Level Infrastructure including Collection Centres and reefer transport etc.
<table><tr><td>Up to 10% of project cost (Excluding cost of Land)</td><td>10</td></tr><tr><td>10% - 20%</td><td>15</td></tr><tr><td>20% - 40%</td><td>25</td></tr><tr><td>More than 40%</td><td>10</td></tr></table></td><td>25</td></tr>
<tr><td>4</td><td colspan="2">Employment Generation (Direct Employment proposed)
<table><tr><td>More than 100</td><td>5</td></tr><tr><td>Between 75 – 99</td><td>4</td></tr><tr><td>Between 50 – 74</td><td>3</td></tr><tr><td>Between 25-49</td><td>2</td></tr><tr><td>Less than 25</td><td>1</td></tr></table></td><td>5</td></tr>
<tr><td>5</td><td colspan="2">Leveraging of investment in the Project
<table><tr><td>Proposed private Investment excluding land less than 2 times of grant sought</td><td>3</td></tr><tr><td>Proposed private Investment excluding land more than 2 times of grant sought</td><td>5</td></tr></table></td><td>5</td></tr>
<tr><td>6</td><td colspan="2">Adoption of Modern Technology such as CA / MA storages, Packing facilities, IQF etc.</td><td>15</td></tr>
<tr><td></td><td>I. Extent of Coverage of Cold Chain Components- CA/MA, IQF, Packaging, etc.
<table><tr><td>Components like CA/MA, IQF, Packaging etc.,</td><td>10</td></tr><tr><td>Normal cold storage operations</td><td>5</td></tr></table></td><td>10</td><td></td></tr>
<tr><td></td><td>II. Extent of procurement from Reputed Suppliers
<table><tr><td>Very well known, reputed, multinational supplier</td><td>5</td></tr><tr><td>Other lesser known, local or regional suppliers</td><td>3</td></tr></table></td><td>5</td><td></td></tr>
<tr><td></td><td colspan="2">Total</td><td>100</td></tr>
</table>

Annexure - I

Application Form for setting up of Cold Chain for Agri / Horti / Dairy / Meat Produce

S.No	Particulars	Details
A.Promoters		
1	Name & Address of the promoter including telephone, fax,e-mail etc.	
2	Type the organization like Govt. Institution / Organisation, Industry association, University, NGO, Co-operative, Entrepreneur, Partnership firm, Company etc.	
3	Background / Credentials of applicant organization. Details of having experience in food processing or supply chain management, if any.	
B. Project Description		
4	Name of the Project	
5	Location/Area of the project	
6	Products/By Products	
7	Capacities of the various components of the integrated cold chain (Cold storage, CA/MA chamber, Deep freezer, IQF (in MT/Hr.),Reefer Van (in numbers and in MT)	
C. Project Cost (indicating proposed cost, appraised cost separately)		
8	Capital Investment(Fixed Capital) Land Area Cost Building Civil Works Technical Civil Works	
9	Plant & Machinery (Indigenous)(Capacity/Specification/Cost)	
10	Pre-operative expenses	
11	Working Capital	
12	Raw Material/Packaging (Source/Quantity/Cost)	
13	Labor (Quantity/Cost)	
14	Effluent Disposal (Method/Machinery/Cost)	

D. Means of Finance (indicating proposed & appraised means of finance, separately) (Rs. In crores)			
15	Means of Financing		
	a. Equity Promoter		
	b. Loan (Term/working capital)		
	c. Assistance from other sources		
	d. Fund requirement from APFPS		
16	Financial Benchmarks		
	a. Breakeven point		
	b. Internal rate of return		
	c. DSCR		

E. Implementation Schedule			
17	Item of work and Date of implementation	**Date of starting**	**Date of completion**

F. Personnel		
18	Details of technical & Managerial personnel (Operation, Maintenance, managerial, finance, marketing etc.) required & available.	
G. Employment Generation- Direct/Indirect		
19	a. Direct (Male & Female separately) b. Indirect (Male & Female (separately)	

Signature
Name and Designation :

Date:

Seal of the Organisation

Place:

Scheme of Primary Processing Centres / Primary Collection Centres

1. Objectives:

The objective of the scheme is creation of effective backward linkages through setting up of processing and preservation facilities at village level to enhance shelf life of perishable produces.

2. Salient Features of the Scheme:

The Scheme has the following components:

(i) Minimum land requirement will be 1-2acres.
(ii) Minimum Processing Facilities at the firm level which may include facilities for weighing, cleaning, sorting, grading, packing, pre-cooling, Controlled Atmosphere (CA)/ Modified Atmosphere (MA), Cold Storage, Dry Warehouses and Individual Quick Freezing (IQF).
(iii) Mobile Pre-cooling trucks and reefer trucks which suitable for transportation of the perishable agricultural produce/ horticulture/ dairy/ meat produce.

3. Eligible Sectors:

The Scheme is applicable to both horticulture and non-horticulture produce such as: fruits, vegetables, grains& pulses, dairy products, meat and poultry etc.

Note:
In NMFP, Fishery produce is also eligible. In A P Food Processing Policy Fishery produce excluded from the eligible sector list.

4. Eligibility Conditions:

- The applicant should have some financial back ground to implement the project
- The proposals for the project should be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.
- The appraisal report should contain all the project components for which grant is sought.
- Units which are already under commercial production and those which may start, commercial production within 2 months from the last date of application submission are not eligible.
- No second proposal from the same applicant/ company would be considered.
- Those units which obtain term loan on subsidized interest rates is eligible for investment subsidy only.

5. Invitation & Selection of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given at serial no:11. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

6. Pattern of assistance:

Investment subsidy: 50% of the eligible project cost, subject to a maximum of Rs.2.50 crores.

Interest Subvention: The interest subvention is extended for a period of 5 years from the date of completion of the project. Every year the interest subsidy @ 7 per cent will be paid to the Bank/FI directly against the term loan sanctioned by it, subject to a maximum of Rs.1 crore per project or actual interest accrued on term loan, whichever is less.

Note:
1. *Interest subvention scheme added in A P Food Processing Policy.*

7. Eligible / Ineligible components:

Cost of land, preoperative expenses, margin money for working capital and contingency, non-technical civil works and plants & machinery not directly related to the PPC/ CC are not be eligible for calculating eligible project cost.

8. Release of Financial assistance sanctioned:

8.1. Investment subsidy :

The grant-in-aid will be released in two instalments:

a) Release of 1st Instalment @ 50% of the approved grant amount will be released, subject to production of proof of 50% expenditure by the promoter out of its share of equity subject to production of the following documents:

- **i. Duly notarised surety Bond:** To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- **(Appendix-A)**
- **ii. Duly notarized Affidavit:** To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- **(Appendix-B)**
- **iii. C.A Certificate -** Actual expenditure incurred on the project showing the means of finances and 50% utilization of promoters contribution **(Appendix-D)**
- **iv. Bank Certificate:** certifying that they have released 50% of term loan and have no objection on release of 1st instalment of grant being provided by State **(Appendix-C)**
- **v.** Invoices/receipts from the suppliers/vendors.
- **vi.** Bank statement highlighting the payment made to suppliers
- **vii.** Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
- **viii.** Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
- **ix.** Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
- ***x.*** *Submission of Statutory clearances / approvals*
  - *Consent for Establishment from Pollution control board*
  - *Approval of Building plan*
  - *NOC from Gram panchayat*
- **xi.** *Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.*

b) Release of 2nd Instalment @ 50% will be released subject to the following condition:

- **i. Utilisation Certificate:** As per GFR 19A, Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**
- **ii. Chartered Accountant Certificate :** Actual expenditure incurred on the project showing the means of finances and 100% utilisation of promoters contribution, 100% of Term Loan and 1st instalment of released grant **(Appendix-D).**
- **iii. Bank Certificate:** Certifying that they have released 100% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by State **(Appendix-F)**
- **iv.** Invoices/receipts from the suppliers/vendors.
- **v.** Bank statement highlighting the payment made to suppliers

vi. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.

vii. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.

viii. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

ix. *Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.*

x. *Submission of Statutory clearances / approvals*

a. *Consent for Operations from Pollution control board*
b. *Approval from Fire & Safety Department*
c. *License from FSSAI*

8.2. Release of Interest subvention:

The sanctioned Interest subvention is released for every 6 months after completion of every half-year i.e., 31st March for first half year and 30th September for second half year for 5 years from the date of Commercial production after submission of the following documents:

i. Request letter from Promoter
ii. Bank Statement highlighting the interest paid **on term loan** to the Bank
iii. No objection letter from bank for releasing the sanctioned interest subvention.
iv. CA certificate showing the amount of interest paid for **term loan on** monthly / quarterly for the respective 6 months.
v. Production details – month wise (in MTs / KLs)
vi. Sales of the unit – month wise (Rs.in crores)

9. Documents required:

i. Application in the prescribed format (Annexure-I)
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions, if any
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Bio-data/background of the office bearers/promoters of the organisation.
vii. Blue Print of the building plan approval
viii. Land Registered documents / Lease agreement duly notarized
ix. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
x. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
xi. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project
xii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers
xiii. Marketing *Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.*
xiv. Process Flow diagram
xv. Entrepreneur's Memorandum (EM)

xvi. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running..

xvii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/ group company as well as the applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society. If yes, the details thereof.

b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

10. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 24 months from the date of the issue of approval letter unless extended by the competent authority for the reasons to be recorded in writing. The application for 1st instalment should be made within 6 months from the date of approval failing which the project may be cancelled by the competent authority.

11. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 6 years from the date of Commercial operations. In such cases all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production up to a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the six (6) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for 6 years, with in 4 months from completion of respective financial year.*

12. Evaluation Criteria:

<table>
<tr><th>S. No.</th><th>Criteria</th><th></th><th>Max Marks</th></tr>
<tr><td>1</td><td colspan="2">Viability of the cluster</td><td>25</td></tr>
<tr><td></td><td>I. Adequate volume and wider mix of raw materials / days of operation in a year</td><td>15</td><td></td></tr>
<tr><td></td><td>i. Availability of raw materials, product mix & no. of days of operations</td><td>5</td><td></td></tr>
<tr><td></td><td>ii. Suitability of project location (s) for proposed operations and their connectivity through road, railways etc.</td><td>5</td><td></td></tr>
<tr><td></td><td>iii. Status of Project Land
<table><tr><td>Land in possession of the applicant with approval for industrial use</td><td>5</td></tr><tr><td>Land in possession of the applicant without approval for industrial use</td><td>3</td></tr></table></td><td>5</td><td></td></tr>
</table>

<table>
<tr><th>S. No.</th><th>Criteria</th><th></th><th>Max Marks</th></tr>
<tr><td></td><td>Land not in possession of the applicant but Agreement to sale executed | 2</td><td></td><td></td></tr>
<tr><td></td><td>II. Agreement / Arrangements for Raw Materials Procurement (Background in Agribusiness & Food Processing)</td><td>10</td><td></td></tr>
<tr><td></td><td>i. Initiatives already taken for Backward & Forward Linkages</td><td>5</td><td></td></tr>
<tr><td></td><td>ii. Experience in Food Processing (existing Food Processing operations)</td><td>5</td><td></td></tr>
<tr><td>2</td><td colspan="2">Proposed Investment in Core Processing Facilities / Distribution Hub / Value Added Centre / Multi Chamber and Multi Product Cold Storage Facilities</td><td>20</td></tr>
<tr><td></td><td>I. Economic Viability of project based on Bank appraisal (if not given in bank appraisal the same will be taken from DPR)
<table>
<tr><th>IRR</th><th>Marks</th><th>DSCR</th></tr>
<tr><td>Morethan 20%</td><td>5</td><td>Morethan 3.0</td></tr>
<tr><td>Between 17% to 20%</td><td>4</td><td>Between 2.5 to 2.9</td></tr>
<tr><td>Between 14% to 16.99%</td><td>3</td><td>Between 2.0 to 2.4</td></tr>
<tr><td>Between 10% to 13.9%</td><td>2</td><td>Between 1.5 to 1.9</td></tr>
<tr><td>Lessthan 10%</td><td>0</td><td>Lessthan 1.5</td></tr>
</table></td><td>5</td><td></td></tr>
<tr><td></td><td>II. Extent of Proposed Investment in Cold Chain infra components as compared to processing infrastructure
<table>
<tr><td>Morethan 80%</td><td>15</td></tr>
<tr><td>Between 60% to 80%</td><td>10</td></tr>
<tr><td>Below 60%</td><td>5</td></tr>
</table></td><td>15</td><td></td></tr>
<tr><td>3</td><td colspan="2">Proposed Investment in Minimal Processing Centre / Farm Level Infrastructure including Collection Centres and reefer transport etc.
<table>
<tr><td>Upto 10% of project cost (Excluding cost of Land)</td><td>10</td></tr>
<tr><td>10% - 20%</td><td>15</td></tr>
<tr><td>20% - 40%</td><td>25</td></tr>
<tr><td>Morethan 40%</td><td>10</td></tr>
</table></td><td>25</td></tr>
<tr><td>4</td><td colspan="2">Employment Generation (Direct Employment proposed)
<table>
<tr><td>Morethan 100</td><td>10</td></tr>
<tr><td>Between 75 – 99</td><td>8</td></tr>
<tr><td>Between 50 – 74</td><td>6</td></tr>
<tr><td>Between 25-49</td><td>4</td></tr>
<tr><td>Lessthan 25</td><td>2</td></tr>
</table></td><td>10</td></tr>
<tr><td>5</td><td colspan="2">Leveraging of investment in the Project
<table>
<tr><td>Proposed private Investment excluding land lessthan 2 times of grant sought</td><td>3</td></tr>
<tr><td>Proposed private Investment excluding land morethan 2 times of grant sought</td><td>5</td></tr>
</table></td><td>5</td></tr>
<tr><td>6</td><td colspan="2">Adoption of Modern Technology such as CA / MA storages, Packing facilities, IQF etc.</td><td>15</td></tr>
<tr><td></td><td>I. Extent of Coverage of Cold Chain Components- CA/MA, IQF, Packaging, etc.
<table>
<tr><td>Components like CA/MA, IQF, Packaging etc.,</td><td>10</td></tr>
<tr><td>Normal cold storage operations</td><td>5</td></tr>
</table></td><td>10</td><td></td></tr>
<tr><td></td><td>II. Extent of procurement from Reputed Suppliers
<table>
<tr><td>Very well known, reputed, multinational supplier</td><td>5</td></tr>
</table></td><td>5</td><td></td></tr>
</table>

S. No.	Criteria				Max Marks
	Other lesser known, local or regional suppliers	3			
	Total				**100**

Application form for scheme of Primary Processing Centre / Primary Collection centre

S.No	Particulars	Details
A.Promoters		
1	Name & Address of the Promoter including telephone, fax,e-mail etc.	
2.	Type of organisation like Govt. Institution/organisation, Industry Association, University, NGO, Co-operative, Entrepreneur, partnership firm, Company, etc.	
3.	Background/credentials of applicant organization. Details of having experience in food processing or supply chain management, if any.	
B. Project Description		
4.	Name of the Project	
5.	Location/Area of the project	
6.	Products/By Products	
7.	Capacities of the various components of the PPC/CC	
8.	Commodities/Products to be handled at PPC/CC	
C.Project Cost (indicating proposed cost, appraised cost separately)		
9.	Capital Investment (Fixed Capital) i. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
10.	Plant & Machinery (Capacity/Specification/Cost)	
11.	Pre-operative expenses	
12.	Working Capital	
13.	Raw material /Packaging	
14.	Labour (Quantity/Cost)	
15.	Effluent Disposal (Method/Machinery/Cost)	
D.Means of Finance (indicating proposed &appraised means of finance, separately)		

16.	Meansof Financing a) Equity(Promoter/Foreign/Other) b) Loan(Term/working capital) c) Assistance from other sources d) Fund requirement from APFPS *TOTAL*	
17.	Financial Benchmarks a) Break Even Point b) Internal Rate of Return c) Debt Service Coverage Ratio	
18.	Details of quality/safety standards to be followed (if any)	

E. Implementation Schedule				
19.	Item of work	Date of starting	Date of completion	
F. Personnel				
20.	Details of technical &Managerial personnel (Operation, Maintenance, managerial, finance, marketing etc.) required& available.			
G. Employment Generation- Direct/Indirect				
21.	a) Direct(Male & Female Separately) b) Indirect(Male & Female Separately)			

Signature
Date: **Name and Designation**
Place: Seal of the organization

Scheme for purchase of Reefer Vehicles

1. Objectives:

The objective of the scheme is to provide financial assistance to standalone reefer vehicle/s and mobile pre-cooling van/s (reefer unit and reefer cabinet permanently mounted on the vehicle) for carrying & transporting both Horticultural and Non-Horticultural produce. This scheme will enable linking groups of producers to the processors and markets through well-equipped supply chain management.

2. Eligibility Conditions:

The eligibility conditions of applicants are as under:

- The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan.
- The applicant/ beneficiary should have sound financial background
- Farmers Producers Organisations and Project Developers of Food processing units will be given preference
- The vehicles purchased before the application submission date are not eligible.
- The reefer unit and refer cabinet permanently mounted on the vehicle are eligible

3. Salient Features:

The Scheme will provide financial assistance for purchase of reefer vehicle/s and mobile pre cooling van/s (reefer unit and refer cabinet permanently mounted on the vehicle) for carrying & transporting of Fruits, Vegetables, Milk / Meat / Poultry products both Fresh and Processed. It does not include reefer container (not mounted on vehicles permanently) used for shipment / transportation of perishable commodities.

4. Pattern of assistance:

Credit linked back ended grant-in-aid @ 50% of the cost of New Reefer Vehicle(s)/ Mobile pre-cooling van(s) upto a maximum of Rs. 10.00 lakh.

Note: The investment subsidy in NMFP scheme is 50% of the eligible cost subject to maximum of Rs.50.00 lakhs. In AP Food Processing policy, the % of subsidy kept as same and the grant-in-aid reduced to Rs.10.00 lakhs.

5. Invitation & Selection of of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given by APFPS. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

6. Documents required:

i. Application in the prescribed format (**Annexure-I**)
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions, if any
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Bio-data/background of the office bearers/promoters of the organisation.

vii. Quotations from the suppliers of vehicle and equipment's etc. required for the project, duly certified by Chartered Engineer (mech).

viii. *Letter of intent (LOI) / MOU for marketing tie-ups*

ix. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/group company as well as the applicant / applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society (APFPS). If yes, the details thereof.

b) that the organization / applicant has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

7. Release of Grant:

The credit linked back ended grant-in-aid @ 50% of the cost of the project subject to a maximum of Rs.10 lakh will be released after submission of the following documents.

i. **Duly notarised surety Bond:** To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- **(Appendix-A)**

ii. **Duly notarized Affidavit:** To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- **(Appendix-B)**

iii. **Bank Certificate:** certifying that they have released term loan and have no objection on release of back ended subsidy being provided by state. **(Annexure-C)**

iv. **C.A Certificate-** Actual expenditure incurred on the project showing the means of finance. **(Appendix-D)**

v. Copy of Registration certificate issued by the concerned Regional Licensing Authority (RLA), duly certified by notary.

vi. It will be prominently displayed that the "Reefer Vehicle/ Mobile pre-cooling van has been financially assisted by Govt. of Andhra Pradesh".

vii. Photograph and video CD of the Reefer Vehicles/ Mobile pre-cooling vans from al directions clearly indicating the front and back number plate of reefer vehicles / mobile pre cooling vans

viii. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

ix. Physical inspection of empanelled consultant / PMA the Reefer Vehicles/ Mobile pre-cooling vans.

8. Implementation and Monitoring of the projects sanctioned:

The vehicles would be purchased within 3 months from the date of issue of approval letter unless extended by the competent authority for the reasons to be recorded in writing.

9. Recall of Grant:

The Government will have the authority

a. *If the vehicles not purchased within the approved project period.*
b. *If the vehicles not purchased even within the extended project period approved by competent authority.*
c. *If the vehicles sold / transferred before 3 years of release of final instalment.*
d. *If the promoter / unit shall not submit the Audited reports of every financial year for a period of 3 years, with in 4 months from completion of respective financial year.*

Application Form for scheme for Purchase of Reefer Vehicles

S.No	Particulars	
A. Promoters		
1	Name & Address of the Promoter including telephone, fax, e-mail etc.	
2	Type of organisation like Govt. Institution/organisation, Industry Association, University, NGO, Co-operative, Entrepreneur, partnership firm, Company, etc.	
3	Background/credentials of applicant organization.	
4	Financial Status	
5	Experience if any	
B. Project Description		
6	Name of the Project	
7	Number and capacities of the Reefer Vehicles/ Mobile pre-cooling vans	
C. Project Cost (indicate appraised cost)		
8	Reefer Vehicles/ Mobile pre-cooling vans (Capacity/Specification /Cost)	
9	Pre-operative expenses	
10	Working Capital	
D. Means of Finance (indicating proposed &appraised means of finance, separately)		
11	Means of Financing a) Equity(Promoter/Foreign/Other) b) Loan(Term/working capital) c) Assistance from other sources d) Fund requirement from APFPS *TOTAL*	
E. Implementation Schedule		
12	Anticipated date of purchase of reefer van/ reefer trucks	

Date:
Place:

Signature
Name and Designation
Seal of the organization

Scheme of Establishment of New Food Processing Units

1. Objectives:

The main objective of the scheme is to increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food processing sector. The scheme envisages extending the financial assistance for establishment of new food processing units in the state.

2. Eligible Sectors:

Food processing sectors like fruits & vegetables, milk / meat / poultry, cereal / other consumer food products, rice / flour/pulse/oil milling and such other agri - horti sectors including food flavours, colours, oleoresins, spices, coconut, mushrooms, wines and hops will be covered under the scheme. The list of activities ineligible for financial assistance under the scheme is given at annexure-1

3. Pattern of assistance:

Investment subsidy: 25% of the cost of Plant & Machinery and technical civil works, subject to a maximum of Rs.5.00 crores.

Interest Subvention: The interest subvention is extended for a period of 5 years from the date of commercial production of the project. Every year the interest subsidy @ 7 per cent will be paid to the Bank/FI directly against the term loan sanctioned by it, subject to a maximum of Rs. 2 crore per project or actual interest accrued on term loan, whichever is less.

Note:

1. *The investment subsidy in NMFP scheme is 25% of the eligible cost subject to maximum of Rs.50.00lakhs. In AP Food Processing policy, the % of subsidy kept as same and the grant-in-aid increased to Rs.5.00 crores.*
2. *Interest subvention scheme added in A P Food Processing Policy.*

4. Eligible / Ineligible components:

4.1 Ineligible items of non-technical civil works:-

i. Compound wall
ii. Approach Road
iii. Administrative Office Building
iv. Toilets
v. Labour Rest Room and quarters for workers
vi. Sanitation Room
vii. Security/Guard Room or enclosure
viii. Consultancy Fee

In short, all expenditure on account of civil works that are not related to the production or processing is excluded.

4.2 Ineligible items of Plant and machinery:

i. Fuel, consumables, spares and stores
ii. Electrical fixtures not mounted on the machine
iii. Computers and allied office furniture
iv. Transport vehicles

v. Erection, installation and Commissioning charges
vi. Second hand/old machines / refurbished machinery
vii. All types of service charges, carriage and freight charges
viii. Expenditure on painting of machinery
ix. Closed Circuit TV Camera and related equipment
x. Consultancy Fee
xi. Stationery items

5. Eligibility Conditions:

The eligibility conditions of applicants are as under:

- The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.
- Units which are already under commercial production and those which may start, commercial production within 2 months from the last date of application submission are not eligible.
- Those units which obtain term loan on subsidized interest rates from NABARD are eligible for investment subsidy only.

6. Invitation & Sanction of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. *The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given at serial no:10. The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

7. Release of Financial assistance sanctioned:

7.1. Investment subsidy :

The grant-in-aid will be released in two instalments:

A. Release of 1st Instalment:

The first instalment of grant would be released after the firm has utilized 50% of the term loan as well as 50% of promoter's contribution and on production of the following documents by the firm:

i. **Duly notarised surety Bond:** To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- **(Appendix-A)**
ii. **Duly notarized Affidavit:** To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- **(Appendix-B)**
iii. **C.A Certificate:** Actual expenditure incurred on the project showing the means of finances and 50% utilisation of promoters contribution and 50% of Term Loan **(Appendix-C)**
iv. **Bank Certificate:** certifying that they have released 50% of term loan and have no objection on release of 1st instalment of grant being provided by State **(Appendix-D)**
v. Invoices/receipts from the suppliers/vendors.
vi. Bank statement highlighting the payment made to suppliers
vii. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.

viii. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.

ix. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

x. *Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.*

xi. *Submission of Statutory clearances / approvals*

a. Consent for Establishment from Pollution control board

b. Approval of Building plan

c. *NOC from Gram panchayat*

B Release of 2nd Instalment:

The 2nd instalment of the grant would be released only after confirming the commencement of commercial production and submission of documents specified below by the firm, utilization of first instalment of the grant, 100% of Term loan as well as 100% of Promoter's contribution.

i. Utilisation Certificate: As per GFR 19A, Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**

ii. Chartered Accountant Certificate : Actual expenditure incurred on the project showing the means of finances and 100% utilisation of promoters contribution, 100% of Term Loan and 1st instalment of released grant **(Appendix-C).**

iii. Bank Certificate: Certifying that they have released 100% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by State **(Appendix-F)**

iv. Bank statement highlighting the payment made to suppliers

v. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity ,manufacturer/ supplier and comment on quality.

vi. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.

vii. Compliance of conditions imposed at the time of release of 2nd Instalment of grant, if any.

viii. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.

ix. Before release of 3rd & final instalment of grant-in-aid, eligible grant-in-aid for the project will be re-calculated based on the proposed/appraised /actual cost, whichever is less, for the already approved items and released accordingly.

x. Submission of Statutory clearances / approvals

a. Consent for Operations from Pollution control board

b. Approval from Fire & Safety Department

c. License from FSSAI

d. Electricity load release certificate

7.2. Release of Interest subvention:

The sanctioned Interest subvention is released for every 6 months after completion of every half-year i.e., 31st March for first half year and 30th September for second half year for 5 years from the date of Commercial production after submission of the following documents:

I. Request letter from Promoter

II. Bank Statement highlighting the interest paid **on termloan** to the Bank

III. No objection letter from bank for releasing the sanctioned interest subvention.

IV. CA certificate showing the amount of interest paid for **term loan on** monthly /

quarterly for the respective 6 months.

V. Production details – month wise (in MTs / KLs)

VI. Sales of the unit – month wise (Rs. in crores)

8. Documents required:

i. Application in the prescribed format (**Annexure-I**)
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions, if any
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Bio-data/background of the office bearers/promoters of the organisation.
vii. Blue Print of the building plan approval
viii. Land Registered documents / Lease agreement duly notarized
ix. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
x. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
xi. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project
xii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers
xiii. Marketing Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.
xiv. Process Flow diagram
xv. Entrepreneur's Memorandum (EM)
xvi. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running..
xvii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/ group company as well as the applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society. If yes, the details thereof.

b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/ agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

9. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 12 months for MSMEs and 24 months for large & mega units from the date of the issue of approval letter unless extended by the Competent Authority for the reasons to be recorded in writing.

10. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 6 years from the date of Commercial operations. In such cases, all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production up to a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the six (6) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for a period of 6 years, with in 4 months from completion of respective financial year.*

11. Evaluation Criteria:

S.No.	Particulars		Marks
1	Priority of Sector		20
	a. For Perishable products	20	
	b. For Non-Perishable Products	10	
2	Level of Processing		30
	a. For Primary processing	10	
	b. For Secondary Processing	20	
	c. For Tertiary Processing	30	
3	Preparedness of Project		20
	a. For COD In the same Financial Year	20	
	b. For COD in the first 6 months of next Financial Year	15	
	c. For COD after 7th month of next financial year	10	
4.	Leveraging of Investment (Project cost /Subsidy)		15
	a. For 4 times	5	
	b. For above 4 to 6 times	10	
	c. For above 6	15	
	Sub Total (Objective Score)		
5.	Location of Project with reference to raw material availability, Technology of the unit including employment potential, Promoter experience & Technocrat entrepreneurs (Subjective Score)		15
	Total		**100**

Application for Establishment of New Food Processing Units

S.No.	Particulars	Details
A. Promoters		
1	Name & Address of the Promoter including telephone, fax, email etc.	
2	Type of organisation like Govt. Institution /organisation, Industry Association, University, NGO, Co-operative, others etc.	
3	Background/credentials of applicant organisation	
B. Project Description		
4	Name of the Project	
5	Location/Area of the project	
6	Products/By Products	
7	Capacity of the Plan/Unit	
C. Project Cost (indicating proposed cost, appraised cost separately)		
8	Capital Investment (Fixed Capital) i. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
9	Plant & Machinery (Capacity/Specification /Cost)	
10	Pre-operative expenses	
11	Working Capital	
12	Raw Material/Packaging	
13	Labour (Quantity/Cost)	
14	Effluent Disposal (Method/Machinery/Cost)	
D. Means of Finance (indicating proposed & appraised means of finance, separately)		
15.	Means of Financing a) Equity Promoter/Foreign/Other) b) Loan (Term/working capital) c) Assistance from other sources d) Fund requirement from APFPS **TOTAL**	
16	Financial Benchmarks a) Cash Flow b) Break Even Point c) Internal Rate of Return d) Debt Equity Ratio e) Debt Service Coverage Ratio	

S.No.	Particulars		Details
	E. Implementation Schedule		
17	Item of work	Date of Starting	Date of Completion
	F. Personnel		
18	Details of technical & Managerial personnel *(Operation, Maintenance, managerial, finance, marketing etc.) required &available.*		
	G. Employment Generation- Direct/Indirect		
19	a) Direct b) Indirect		

Signature

Date: **Name and Designation**

Place: **Seal of the organisation**

Encl: List of documents attached.

Scheme for Technology Up gradation / Modernisation of FP units

1. Objectives:

The main objective of the scheme is to increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food processing sector. The scheme envisages extending the financial assistance for Technology Up gradation / Modernisation / expansion of existing food processing units in the state.

2. Eligible Sectors:

Food processing sectors like fruits & vegetables, milk / meat / poultry, cereal / other consumer food products, rice / flour/pulse/oil milling and such other agri-horti sectors including food flavours, colours, oleoresins, spices, coconut, mushrooms, wines and hops will be covered under the scheme. The list of activities ineligible for financial assistance under the scheme is given at annexure-I.

3. Pattern of assistance:

Investment subsidy: 25% of the cost of Plant & Machinery and technical civil works, subject to maximum of Rs.1.00 crore.

Note:
The investment subsidy in NMFP scheme is 25% of the eligible cost subject to a maximum of Rs.50.00 lakhs. In AP Food Processing policy, the % of subsidy kept as same and the grant-in-aid increased to Rs.1.00 crore.

4. Eligible / Ineligible components:

4.1 Ineligible items of non-technical civil works:-

i. Compound wall
ii. Approach Road
iii. Administrative Office Building
iv. Toilets
v. Labour Rest Room and quarters for workers
vi. Sanitation Room
vii. Security/Guard Room or enclosure
viii. Consultancy Fee

In short, all expenditure on account of civil works that are not related to the production or processing is excluded.

4.2 Ineligible items of Plant and machinery:

i. Fuel, consumables, spares and stores
ii. Electrical fixtures not mounted on the machine
iii. Computers and allied office furniture
iv. Transport vehicles
v. Erection, installation and Commissioning charges
vi. Second hand/old machines / refurbished machinery
vii. All types of service charges, carriage and freight charges
viii. Expenditure on painting of machinery
ix. Closed Circuit TV Camera and related equipment
x. Consultancy Fee
xi. Stationery items

5. Eligibility Conditions:

The eligibility conditions of applicants are as under:

i. The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.
ii. Units which are already under commercial production and those which may start, commercial production within 2 months from the last date of application submission are not eligible.

6. Invitation & Selection of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given at serial no:11. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

7. Release of Grant:

The grant-in-aid will be released in two instalments:

7.1. Release of 1st Instalment:

The first instalment of grant would be released after the firm has utilized 50% of the term loan as well as 50% of promoter's contribution and on production of the following documents by the firm:

i. **Duly notarised surety Bond:** To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- **(Appendix-A)**
ii. **Duly notarized Affidavit:** To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- **(Appendix-B)**
iii. **C.A Certificate:** Actual expenditure incurred on the project showing the means of finances and 50% utilisation of promoters contribution and 50% of Term Loan **(Appendix-D)**
iv. **Bank Certificate:** certifying that they have released 50% of term loan and have no objection on release of 1st instalment of grant being provided by State **(Appendix-C)**
v. Invoices/receipts from the suppliers/vendors.
vi. Bank statement highlighting the payment made to suppliers
vii. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
viii. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
ix. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
x. *Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.*
xi. *Submission of required Statutory clearances / approvals*

7.2. Release of 2nd Instalment:

The 2nd instalment of the grant would be released only after confirming the commencement of commercial production and submission of documents specified below by the firm, utilization of first instalment of the grant, 100% of Term loan as well as 100% of Promoter's contribution.

i. **Utilisation Certificate:** As per GFR 19A, duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**

ii. **Chartered Accountant Certificate :** Actual expenditure incurred on the project showing the means of finances and 100% utilisation of promoters contribution, 100% of Term Loan and 1st instalment of released grant **(Appendix-D).**

iii. **Bank Certificate:** Certifying that they have released 100% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by State **(Appendix-F)**

iv. Bank statement highlighting the payment made to suppliers

v. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity ,manufacturer/ supplier and comment on quality.

vi. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.

vii. Compliance of conditions imposed at the time of release of 1st Instalment of grant, if any.

viii. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.

ix. Before release of 2nd & final instalment of grant-in-aid, eligible grant-in-aid for the project will be re-calculated based on the proposed/appraised /actual cost, whichever is less, for the already approved items and released accordingly.

x. Submission of Statutory clearances / approvals

8. Documents required:

i. Application in the prescribed format (**Annexure-I**)

ii. Detailed project report.

iii. Sanction letter of term loan from bank/financial institutions, if any

iv. Appraisal report from Bank/Financial Institution

v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.

vi. Annual reports and Audited statement of Accounts of last two years.

vii. Bio-data/background of the office bearers/promoters of the organisation.

viii. Blue Print of the building plan approval

ix. Land Registered documents / Lease agreement duly notarized

x. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).

xi. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).

xii. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project

xiii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers

xiv. Marketing Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.

xv. Process Flow diagram

xvi. Entrepreneur's Memorandum (EM)

xvii. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running..

xviii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/group company as well as the applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society. If yes, the details thereof.

b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details there of.

9. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 12 months for MSMEs and 24 months for large & mega units from the date of the issue of approval letter unless extended by SLEC for the reasons to be recorded in writing.

10. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 3 years from the date of Commercial operations .In such cases all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production upto a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the three (3) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for a period of 3 years, with in 4 months from completion of respective financial year.*

11. Evaluation Criteria:

S.No.	Particulars		Marks
1	Priority of Sector		20
	a. For Perishable products	20	
	b. For Non-Perishable Products	10	
2	Level of Processing		30
	a. For Primary processing	10	
	b. For Secondary Processing	20	
	c. For Tertiary Processing	30	
3	Preparedness of Project		20
	a. For COD In the same Financial Year	20	
	b. For COD in the first 6 months of next Financial Year	15	
	c. For COD after 7th month of next financial year	10	

4.	Leveraging of Investment (Project cost /Subsidy)		15
	a. For 4 times	5	
	b. For above 4 to 6 times	10	
	c. For above 6	15	
	Sub Total (Objective Score)		
5.	Location of Project with reference to raw material availability, Technology of the unit including employment potential, Promoter experience & Technocrat entrepreneurs (Subjective Score)		15
	Total		**100**

Application for Technology Upgradation / Modernisation of FP units

S.No.	Particulars	Details
A. Promoters		
1	Name & Address of the Promoter including telephone, fax, email etc.	
2	Type of organisation like Govt. Institution /organisation, Industry Association, University, NGO, Co-operative, others etc.	
3	Background/credentials of applicant organisation	
B. Project Description		
4	Name of the Project	
5	Location/Area of the project	
6	Products/By Products	
7	Existing Capacity of the Plant/Unit	
	Proposed Capacity after expansion	
	Capacity utilization after expansion for 5 years	
C. Project Cost (indicating proposed cost, appraised cost separately)		
8	Capital Investment (Fixed Capital) i. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
9	Plant & Machinery (Capacity/Specification /Cost)	
10	Pre-operative expenses	
11	Working Capital	
12	Raw Material/Packaging	
13	Labour (Quantity/Cost)	
14	Effluent Disposal (Method/Machinery/Cost)	
D. Means of Finance (indicating proposed & appraised means of finance, separately)		
15	Means of Financing a) Equity Promoter/Foreign/Other) b) Loan (Term/working capital) c) Assistance from other sources d) Fund requirement from APFPS **TOTAL**	

S.No.	Particulars		Details
16	Financial Benchmarks a) Cash Flow b) Break Even Point c) Internal Rate of Return d) Debt Equity Ratio e) Debt Service Coverage Ratio		
E. Implementation Schedule			
17	Item of work	Date of Starting	Date of Completion
F. Personnel			
18	Details of technical & Managerial personnel (Operation, Maintenance, managerial, finance, marketing etc.) required &available.		
G. Employment Generation- Direct/Indirect			
19	a) Direct b) Indirect		

Signature

Date: **Name and Designation**

Place: **Seal of the organisation**

Encl: List of documents attached.

Scheme for Setting up / Modernization of Abattoirs

1. Objectives:

The main objective of the scheme are scientific and hygienic slaughtering of animals, application of modern technology for slaughter waste management and pollution control, more humane treatment of animals / minimizing transportation of animals, better by-product utilization / value addition, providing chilling facility to prevent microbial activity in slaughtered animals, better hygiene, safety and retail cold chain management, better forward linkage facilities for finished meat & meat products.

This scheme includes establishment of modern abattoirs and modernization of existing abattoirs. The scheme will be implemented with the involvement of local bodies (Municipal Corporations & Municipal councils) under Government and will have flexibility for involvement of private investors on PPP basis

The proposals are to be implemented under PPP mode shall follow the guidelines of financial support to PPPs in infrastructure as per APIDE act 2001 issued by Department of Infrastructure and Investment, Government of Andhra Pradesh.

2. Pattern of assistance:

2.1. 50% of the cost of Plant & Machinery and Technical Civil Works and other eligible items subject to a maximum of Rs.15.00 crore per abattoir.

2.2. Cost of the following components of the project is eligible for the grant under Abattoir Scheme:

i. Technical Civil Work would include lair age, isolation pen for sick animals, animal washing area, area for the stunning, bleeding, flaying, evisceration, splitting of carcass, processing area, packaging area, blood collection area, skin collection and treatment area, value added meat processing area and offal treatment area etc.

ii. Plant and Machinery would include all the equipments and machinery required for various slaughter operations including overhead rails, conveyers and gambrels/ shackles, on line weighing machines and equipment and machinery for processing.

iii. Technical Civil Work and Plant & Machinery of basic infrastructure would include laboratory (including equipment), cold storage including pre-cooling chambers, chillers, freezer etc., rendering plant, effluent treatment plant, water supply system, sewerage and drainage system, power supply system (including DG set), services area like-rain water harvesting etc.

iv. Forward linkage would include cost of reefer vans and cost of technical civil work & plant & machinery of five (5) modern meat outlets (excluding land cost).

v. Project Implementation Expenses would include cost of preparation DPR, appraisal of DPR by bank / financial institution and project consultancy and supervision expenses etc.

3. Invitation & Selection of Proposals:

In response to the notice inviting proposals by APFPS, proposals along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given by APFPS. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

4. Pattern of release of grant

The sanctioned grant-in-aid will be disbursed in 4 instalments in following manner:

Percent of approved grant-in-aid to be released	Condition to be fulfilled
10%	**For public funded projects:** On submission of - o Certificate of possession of land by the project promoter o NOC from local body o Surety Bond o Letter of Scheduled bank in which Escrow account is maintained by Project Promoter o Affidavit in compliance of GFR 209(1) o NOC from State Pollution Control Board. o Financial closure of the project **For PPP projects:** On submission of - o Certificate of possession of land by the project promoter (government/ statutory entity) and its transfer to the selected private partner o NOC from local body o Surety Bond o Letter of Scheduled bank in which Escrow account is maintained by Project Promoter o Affidavit in compliance of GFR 209(1) o NOC from State Pollution Control Board. Financial closure of the project
30%	On submission of o Utilization Certificate of 1stinstallment o Chartered Accountant's Certificate certifying that 40% of equity and term loan utilized o Progress reports of project duly signed by Project Implementation Agency (PIA) and Promoter o Submission of copy of purchase order of Main plant & Machinery o Chartered Engineer Certificate of 50% completion eligible civil and structural work out of total civil work o Inspection cum Verification report of PMA with recommendation for release of 2nd instalment.
40%	On submission of o Utilization Certificate of 1stinstallment o Chartered Accountant's Certificate certifying that 80% of equity and term loan utilized o Progress reports of project duly signed by Project Implementation Agency (PIA) and Promoter o Submission of copy of purchase order of Main plant & Machinery o Chartered Engineer Certificate of 100% completion eligible civil and structural work out of total civil work o Inspection cum Verification report of PMA with recommendation for release of 3rd instalment.

Percent of approved grant-in-aid to be released	Condition to be fulfilled
20%	On submission of o Utilization Certificate of 1stinstallment o Completion of the project duly certified by a Chartered Engineer o Obtaining of necessary Clearance/NOC for operation from the Environmental Agency/State Pollution Control Board o Declaration by Project Promoter/ PIA confirming the start of Commercial Production.

5. Implementation Schedule

The implementation schedule for the project would be about 24 months from the date of approval / final approval of project unless extended by the SLEC.

6. Project Monitoring and Evaluation

APFPS will undertake Quarterly Review of the progress of the projects under the scheme. Besides PMA shall furnish monthly report to the APFPS on the progress achieved on the projects.

7. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 3 years from the date of Commercial operations .In such cases all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production upto a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the six (3) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for a period of 3 years, with in 4 months from completion of respective financial year.*

Scheme for Setting up / upgrading Testing Labs (Including NABL accredited)

1. Objectives:

Setting up / up-gradation of Quality Control / Food Testing Laboratories would benefit all stakeholders in ensuring safety and quality of food products. The objectives are:

i. To analyse the samples received from food processing industry and other stakeholders.
ii. To reduce the time taken for analysis of samples by reducing transportation time of samples.
iii. To ensure compliance of domestic/international standards on food.
iv. To establish a surveillance system for monitoring the quality and composition of food.

2. Pattern of Assistance

i. Go AP will promote setup of National Accreditation Board for Testing and Calibration Laboratories (NABL) approved full-fledged testing labs, including antibiotic testing facilities, for common usage by food processing units in the state. Implementing agencies are eligible for grant limited to 50% of eligible project cost (TCW and Equipment) required for setting up/up-gradation of such laboratories focused on food processing sector, limited to a maximum of Rs.5 crore.
ii. Existing food processing units that are setting up / upgrading testing labs for use of the particular unit only, are eligible to get reimbursement of 50% of eligible project cost (Equipment cost only), limited to a maximum of Rs.5 lakh.
iii. State Government organizations and Universities (including deemed Universities), that offer courses in food processing, are eligible for grant support limited to 80% of eligible project cost required for setting up / up-gradation of full-fledged NABL approved testing laboratories, including antibiotic testing facilities.

    a. Specifically, GoAP will provide support for testing labs to be established in Acharya Nagarjuna University (ANU) in Guntur, Sri Venkateswara University (SVU) in Tirupati and Andhra University in Visakhapatnam, and technology up-gradation of testing laboratory in JNTU, Kakinada.
    b. Such testing laboratories should not be used solely for academic or R&D purposes, but should be open to food processing industry for commercial usage.
    c. Additionally GoAP will reimburse 80% of cost of 2 technical staff in such laboratories from the date of commencement of operations of the lab for a period of 3 years.

3. Documents Required:

i. Application in the prescribed format
ii. Detailed Project Report clearly indicating the total project cost (with item-wise and cost - wise break-up), Means of Finance to meet the project cost, recurring expenditure, information on availability of land and building, qualified manpower available and proposed to be hired, implementation schedule, list of lab equipment available and proposed (their cost, purpose/parameters being tested/to be tested), Technical Civil Work (TCW) and the Furniture& Fixtures required etc.
iii. Sanction letter of term loan from bank / financial institution (applicable for establishment of NABL accredited labs)
iv. Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and bye laws of the society (if applicable)/ partnership deed (notarized) etc.
v. Bio-data/background of the office bearers and promoters of the organization including details such as PAN/ Voter card / Aadhar card etc.
vi. Annual reports and Audited Statement of Accounts of last two years, in case of up gradation proposals with Service Tax Registration Number.

vii. Blue Print of the laboratory building Plan.

viii. For private organizations/universities, notarized copy of land document of owned land / building or rent / lease agreement with a validity period of minimum of 15 years, preferably with an extension clause (notarized English version, in case document is in regional language). For Government organizations/Universities, certificate regarding availability of land is required.

ix. Item wise and cost wise details of Technical Civil Work (TCW) proposed, duly certified by Chartered Engineer (Civil).

x. Item wise and cost wise details of lab equipment proposed duly supported by quotations and duly certified by Chartered Engineer (Mechanical). Each proposal with list of the commodities and equipment is to be given with parameters to be tested with equipment. In case of up-gradation of lab, list of existing lab equipment with complete details are also required to be furnished.

xi. An affidavit as per Annexure B duly executed on non-judicial stamp paper of Rs.100/- or more duly notarized by Notary Public affirming : *"That the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./Government organization/agencies and State Govt. for the same purpose/activity /same component."*

xii. An undertaking (duly notarized) on non-judicial stamp paper, minimum value Rs.100/-, solemnly affirming that the grant will be utilized for the purpose for which it is sanctioned

xiii. Surety Bond (duly notarized) on non-judicial stamp paper of Rs.100/- by the applicants of private sector organizations, implementing agencies other than central/state government organizations/ universities. (Annex-A)

xiv. If the applicant is a Govt. organization / University / Public Sector institution and applies for assistance for 80% of cost of emoluments of two technical staff under the project, an undertaking on official letter head duly issued by the Head of the Department confirming that 20% of the monthly emolument of the technical staff to be employed under the project will be met by the applicant organization from its own resources.

xv. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.

4. The Applicant Organization has also to confirm the following:

i. If the applicant is a Govt. organization / University / Public sector institution, the organization's share of expenditure is borne from their self-generated funds and not from other grants received from Govt. departments/bodies.

ii. The facility created out of financial assistance from APFPS will be availed of by the food processing units for getting their products tested. The organization shall create awareness through wide publicity of such facility among the food processing units in and around the area.

iii. The gap in the means of finance between grant amount sought and approved by APFPS shall be borne by the organization.

iv. The organization has adequate funds/ source of funds to meet recurring expenditure and maintain/upgrade testing facilities.

v. The organization has availability of qualified manpower available vis-à-vis the facility created or would recruit such manpower.

vi. The organization would implement the schedule of the proposed laboratory within a period of 2 years from the date of release of 1st installment.

vii. The time period by which NABL accreditation would be obtained for the parameters to be tested after setting up/up-gradation of lab with APFPS assistance.

For proposals pertaining to up-gradation of an existing laboratory (standalone), it has to be confirmed that NABL accreditation has been obtained for existing parameters being tested.

5. Procedure for Approval and release of grant:

a. All proposals received for financial assistance will be evaluated by empanelled consultants of APFPS / PMA appointed by APFPS. Applicant organizations will make presentations before the Screening Committee (SC) for their observations / comments.
b. Thereafter, the evaluation reports along with comments / observations of SC will be placed before SLEC for consideration and approval.

6. Release of Funds:

6.1. The sanctioned grant will be reimbursed to the Food Processing Units after submission of following documents:

6.1.1. Duly notarised surety Bond: To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- (Appendix-A)
6.1.2. Duly notarized Affidavit: To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- (Appendix-B)
6.1.3. C.A Certificate- Actual expenditure incurred on the project showing the means of finance. (Appendix-D)
6.1.4. Chartered Engineer (Mechanical) certificate confirming that the equipment was purchased.
6.1.5. Bills / Invoices of the equipment purchased
6.1.6. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
6.1.7. Physical inspection of the unit.

6.2. The following schedule will be adopted for release of grant assistance to stand alone NABL accredited labs:

i. 1st instalment of 40% of the total grant will be released after ensuring that 40% of the promoters contribution and 40% of the term loan has been spent on the project.

a. Duly notarized Surety Bond – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- (Appendix-A).
b. Duly notarized Affidavit – To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs. 100/- (Appendix-B).
c. Bank Certificate certifying that they have released 40% of term loan and have no objection on release of 1st instalment of grant being provided by state (Appendix - C).
d. Chartered Accountant Certificate – Actual expenditure incurred on the project showing the means of finances and 40% utilization of Promoters contribution,40% of Term loan(Appendix-D).
e. Invoices/receipts from the suppliers/vendors.
f. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
g. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
h. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

ii. 2nd instalment of 40% of the total grant will be released after ensuring that 80% of the promoters contribution and 80% of the term loan has been spent on the project and utilization of the 1st instalment of the grant released.

a. Utilization Certificate –Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company(Appendix-E)
b. Bank Certificate – certifying that they have released 80% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by State . (Appendix F)
c. Chartered Accountant Certificate – Actual expenditure incurred on the project showing the means of finances and 80% utilization of Promoters contribution,80% of Term loan and 1st instalment of released grant (Appendix-D).
d. Invoices/receipts from the suppliers/vendors.
e. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
f. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
g. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

iii. 3rd instalment of 20% of the total grant will be released after ensuring that 100% of the promoters contribution and 100% of the term loan has been spent on the project and utilization of the 2nd instalment of the grant released and obtaining NABL accreditation.

a. Utilization Certificate –Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company (Appendix-E).
b. Bank Certificate – certifying that they have released 100% of term loan and 2nd instalment of grant released by the State. They have no objection in releasing 3rd instalment of grant being released by State (Annexure-F).
c. Chartered Accountant Certificate – Actual expenditure incurred on the project showing the means of finances and 100% utilization of Promoters contribution, 100% of Term loan and 2nd instalment of released grant. (Appendix- D).
d. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.
e. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.
f. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.

6.3. The following schedule will be adopted for release of grant assistance to State Govt. Organisations and universities (including deemed Universities):-

a. 1st instalment of 40% of the total grant will be released after receiving requisite documents.
b. 2nd instalment of 40% of the total grant will be released only after ensuring full utilization of 1st instalment of grant towards purchase of lab equipment, expenditure on Technical Civil Work (TCW) and fixing of Furniture & Fixtures for housing the equipment, as the case may be.
c. 3rd instalment of 20% of the total grant will be released only after ensuring full utilization of 2nd instalment of grant towards purchase of lab equipment, completion of Technical Civil Works (TCW) and fixing of Furniture & Fixtures for housing the equipment, as the case may be.

d. The emoluments at the rate of 80 percent for the two technical staff for 3 years will be released as 4th and final instalment after all the Screening Committee approved equipment has been purchased, installed and the organisation has submitted the utilisation certificate for 3rd instalment along with the status of NABL accreditation.

(Note: 2nd and 3rd instalment would be released on submission of utilization certificate (Annexure -E) and certificate from Competent Authority relating to the expenditure incurred at each stage along with detailed statement of expenditure as per format at Annexure-D, along with *copies of invoices, receipts, delivery challans etc.)*

c. The implementation schedule for the project would be about 24 months from the date of release of 1st instalment.

Application for Scheme for Setting up / Upgrading Testing Labs (Including NABL accredited)

S.No.	Particulars	Details
1	Name and Address of Promoter(s) including telephone, fax, e-mail, etc.	
2	Type of Organization like Government, Private, Industry Association, Public Sector, Co-operative etc.	
3	Background of the organization	
4	Objectives of the Laboratory	
5	In case of up-gradation of existing lab, performance of the last three years indicating type of food products tested, parameters, with number of samples tested, revenue earned and any other relevant information with member of samples tested.	
6	Range of products / parameters to be tested	
7	Number of Food Processing Industries situated in the region / nearby area and other potential users who may avail testing facilities. Attach list giving names & address of units along with their products	
8	Name and address of the Laboratory from where these units are getting their products tested and constraints faced by the units at present.	
9	Total Project cost : a. Land - not eligible for grant b. Building (i). Technical civil work which include only the constructed area required for housing the lab equipment, storage of samples / chemicals / consumables. (ii). Non-technical civil work such as office area, library, roads, boundary wall, canteen, guest house etc. c. Laboratory Equipment Indigenous Imported d. Recurring Expenditure (i). Consumables (ii) Salaries & Wages (iii) Any other expenses e. Furniture & Fixtures f. Any other items **Total**	
10	**Means of Finance :** (a) Promoters Contribution	

S.No.	Particulars	Details
	(b). Grant from MFPI (c). Term Loan from Bank (d) Any other source (Please specify)***** ** Unsecured loans will not be considered.* **Total**	
11	Details of lab equipment available and their utilization with products and parameters being tested. Details of Equipment proposed to be installed in the Laboratory indicating specifications, make, quantity, cost, purpose etc. (Please furnish technical literature and quotations for each proposed equipment) along with full justification)	
12	Total no. of manpower available and to be employed (with their qualifications and experience)	
13	Implementation Schedule - Bar Chart / Mile Stone Chart	
14	Recurring Expenditure & how this will be met. Cash flow for the next five years	
15	Whether Lab has obtained NABL accreditation for existing parameters being tested (in case of up gradation).If yes, give details. In case of setting up of laboratory, time frame by which the NABL accreditation will be obtained may be furnished.	
16	Any other relevant details	

Encl: List of documents

Signature
Name and Designation
Seal of the organization

Scheme for units set up to process waste produced in FP units in Identified clusters

1. Objectives:

The main objective of the scheme is to ensure proper utilization of the waste generated by FPIs in the clusters. Waste in the Food processing Industries is product specific. It is primarily organic residue of processed raw materials.

2. Eligible areas:

The support will be extended in the following notified clusters .

- Mango Processing Cluster – Chittoor, East Godavari, Vizianagaram districts
- Cashew Processing Cluster – Srikakulam, Vizianagaram,Visakhapatnam, and Prakasam districts
- Any other clusters identified by Go AP from time to time.

3. Pattern of assistance:

50% of the cost of Plant & Machinery and Technical Civil Works (TCW), subject to a maximum of Rs.2.00 crores.

4. Eligible / Ineligible components:

4.1 Ineligible items of non-technical civil works:-

i. Compound wall
ii. Approach Road
iii. Administrative Office Building
iv. Toilets
v. Labour Rest Room and quarters for workers
vi. Sanitation Room
vii. Security/Guard Room or enclosure
viii. Consultancy Fee

In short, all expenditure on account of civil works that are not related to the production or processing is excluded.

4.2 Ineligible items of Plant and machinery:

i. Fuel, consumables, spares and stores
i. Electrical fixtures not mounted on the machine
ii. Computers and allied office furniture
iii. Transport vehicles
iv. Erection, installation and Commissioning charges
v. Second hand/old machines / refurbished machinery
vi. All types of service charges, carriage and freight charges
vii. Expenditure on painting of machinery
viii. Closed Circuit TV Camera and related equipment
ix. Consultancy Fee
x. Stationery items

5. Eligibility Conditions:

The eligibility conditions of applicants are as under:

- The project proposals are required to be duly appraised by the bank/ financial institution and avail term loan. The term loan will not be less than 10% of the project cost.
- Units which are already under commercial production and those which may start, commercial production within 2 months from the last date of application submission are not eligible.

6. Invitation of Proposals:

In response to the notice inviting proposals by APFPS, application along with the required documents are to be submitted by the applicants. The proposal will be evaluated by the empanelled consultants / PMA appointed by APFPS as per criteria given by APFPS. *The evaluation reports will be placed before the State Level Empowered Committee (SLEC) for consideration of "Approval" to the projects.*

7. Release of Financial assistance sanctioned:

The grant-in-aid will be released in two instalments:

A. Release of 1st Instalment:

The first instalment of grant would be released after the firm has utilized 50% of the term loan as well as 50% of promoter's contribution and on production of the following documents by the firm:

i. **Duly notarised surety Bond:** To be executed by the beneficiary company on Non-judicial stamp paper of not less than Rs.100/- **(Appendix-A)**
ii. **Duly notarized Affidavit:** To be executed by the beneficiary company on Non-Judicial stamp paper of not less than Rs.100/- **(Appendix-B)**
iii. **C.A Certificate:** Actual expenditure incurred on the project showing the means of finances and 50% utilisation of promoters contribution and 50% of Term Loan **(Appendix-C)**
iv. **Bank Certificate:** certifying that they have released 50% of term loan and have no objection on release of 1st instalment of grant being provided by State **(Appendix-D)**
v. Invoices/receipts from the suppliers/vendors.
vi. Bank statement highlighting the payment made to suppliers
vii. Certificate of the Chartered Engineer (Civil) for technical civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
viii. Certificate of the Chartered Engineer (Mech.) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
ix. Compliance of conditions imposed in the approval letter of the grant-in-aid, if any.
x. *Site inspection of Consultant / PMA to ascertain the physical progress and assess the eligible project cost to arrive and release of Grant-in-aid.*
xi. *Submission of Statutory clearances / approvals*
   a. *Consent for Establishment from Pollution control board*
   b. *Approval of Building plan*
   c. *NOC from Gram panchayat*

B Release of 2nd Instalment:

The 2nd instalment of the grant would be released only after confirming the commencement of commercial production and submission of documents specified below by the firm, utilization of first instalment of the grant, 100% of Term loan as well as 100% of Promoter's contribution.

i. **Utilisation Certificate:** As per GFR 19A, Duly certified by the C.A. and countersigned by the Bank and promoter of the beneficiary company **(Appendix-E).**
ii. **Chartered Accountant Certificate :** Actual expenditure incurred on the project showing the means of finances and 100% utilisation of promoters contribution, 100% of Term Loan and 1st instalment of released grant **(Appendix-C).**
iii. **Bank Certificate:** Certifying that they have released 100% of term loan and 1st instalment of grant released by the State. They have no objection in releasing 2nd instalment of grant being released by State **(Appendix-F)**
iv. Bank statement highlighting the payment made to suppliers
v. Certificate of the Chartered Engineer(Civil) for technical civil works indicating item wise progress, cost, quantity ,manufacturer/ supplier and comment on quality.
vi. Certificate of the Chartered Engineer (Mech.) for Plant &Machinery indicating item wise progress, cost, quantity, manufacturer/ supplier and comment on quality.
vii. Compliance of conditions imposed at the time of release of 2nd Instalment of grant, if any.
viii. Site inspection of Consultant / PMA to ascertain the physical progress (start of commercial operations) and assess the eligible project cost to arrive and release of Grant-in-aid.
ix. Before release of 3rd & final instalment of grant-in-aid, eligible grant-in-aid for the project will be re-calculated based on the proposed/appraised /actual cost, whichever is less, for the already approved items and released accordingly.
x. Submission of Statutory clearances / approvals
   a. Consent for Operations from Pollution control board
   b. Approval from Fire & Safety Department
   c. License from FSSAI
   d. *Electricity load release certificate*

8. Documents required:

i. Application in the prescribed format
ii. Detailed project report.
iii. Sanction letter of term loan from bank/financial institutions, if any
iv. Appraisal report from Bank/Financial Institution
v. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.
vi. Bio-data/background of the office bearers/promoters of the organisation.
vii. Blue Print of the building plan approval
viii. Land Registered documents / Lease agreement duly notarized
ix. Item wise and cost wise details of Technical civil works envisaged duly certified by Chartered Engineer (Civil).
x. Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
xi. Quotations from the suppliers of Plant & Machinery and equipment's etc. required for the project
xii. Availability of raw material and Letter of intent (LOI) / MOU for procurement of raw material from suppliers
xiii. Marketing Strategy and Letter of intent (LOI) / MOU for marketing of products produced by the unit.
xiv. Process Flow diagram

xv. Entrepreneur's Memorandum (EM)

xvi. Implementation schedule indicating (a) date of acquiring land, (b) date of start of construction of building (c) date of completion of building (d) date for placing order for plant & machinery and date of installation/erection (f) date of trial production/running and (g) date of commercial production/running..

xvii. An affidavit duly executed on non-judicial stamp paper of Rs.100/- or more duly notarised by Notary Public affirming.

a) that the organisation's sister concern(s)/related company/group company as well as the applicant company itself has not availed any financial assistance for a food processing project in the past from Andhra Pradesh Food Processing Society. If yes, the details thereof.

b) that the organisation has not obtained/applied for or will not obtain any grant/subsidy from any Ministry of Central Govt. /GOI organisation/agencies and State Government for the same purpose/activity/same components. If yes, the details thereof.

9. Implementation and Monitoring of the projects sanctioned:

The implementation schedule for the projects would be about 12 months from the date of the issue of approval letter unless extended by SLEC for the reasons to be recorded in writing.

10. Recall of Grant:

The Government will have the authority

a. *If the project is not completed in time within the approved project period.*
b. *If the project is not completed even within the extended project period approved by competent authority.*
c. *If the institute / organization become non-functional or said activity / organization is closed before 3 years from the date of Commercial operations.In such cases all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.*
d. *Break-in-production up to a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the three (3) years continuous production condition by the period of such break.*
e. *If the unit shall not submit the Audited reports of every financial year for a period of 3 years, with in 4 months from completion of respective financial year.*

Application for Scheme for units set up to process waste produced in FP units in identified clusters

S.No.	Particulars	Details
A. Promoters		
1	Name & Address of the Promoter including telephone, fax, email etc.	
2	Type of organisation like Govt. Institution /organisation, Industry Association, University, NGO, Co-operative, others etc.	
3	Background/credentials of applicant organisation	
B. Project Description		
4	Name of the Project	
5	Location/Area of the project	
6	Products/By Products	
7	Capacity of the Plan/Unit	
C. Project Cost (indicating proposed cost, appraised cost separately)		
8	Capital Investment (Fixed Capital) ii. Land Area Cost ii. Building iii. Civil Works iv. Technical Civil Works	
9	Plant & Machinery (Capacity/Specification /Cost)	
10	Pre-operative expenses	
11	Working Capital	
12	Raw Material/Packaging	
13	Labour (Quantity/Cost)	
14	Effluent Disposal (Method/Machinery/Cost)	
D. Means of Finance (indicating proposed & appraised means of finance, separately)		
15.	Means of Financing a) Equity Promoter/Foreign/Other) b) Loan (Term/working capital) c) Assistance from other sources d) Fund requirement from APFPS	
16	Financial Benchmarks a) Cash Flow b) Break Even Point c) Internal Rate of Return d) Debt Equity Ratio e) Debt Service Coverage Ratio	
E. Implementation Schedule		
17	Item of work / Date of Starting / Date of Completion	

S.No.	Particulars	Details
F. Personnel		
18	Details of technical & Managerial personnel (Operation, Maintenance, managerial, finance, marketing etc.) required &available.	
G. Employment Generation- Direct/Indirect		
19	a) Direct b) Indirect	

Signature

Date: **Name and Designation**

Place: **Seal of the organisation**

Encl: List of documents attached.

Scheme for Marketing assistance

1.1. Financial Assistance

1.1.1. Reimbursement of 50% of cost of participation to maximum of 10 MSME units per year for participating in international food processing related trade fairs with a ceiling of Rs.5 lakh per unit per annum

1.1.2. Reimbursement of reimburse 75% of the space rent with a ceiling of Rs.2 lakh per year for maximum of 10 MSME units for setting up stalls to extend their business interests in national/international exhibitions and conferences.

1.2. Submission of application: The units shall submit the application to APFPS along with the following documents before 2 months of the schedule of the event

1.2.1. Details of event

1.2.2. Brochure of event

1.2.3. Total cost estimates of visit / participation

1.2.4. Financial assistance required from APFPS

1.2.5. Any other information sought by APFPS

1.2.6. Details of units proposed to visit along with EM-II certification and also need to submit last 3 years audited balance sheets

1.3. Eligibility Criteria:

1.3.1. The unit(s) should have obtained Entrepreneurs Memorandum-II / IEM

1.3.2. The organization should have regular audited accounts for last 3 years

1.3.3. Events, for which financial support under the Scheme is sought, must have significant international participation.

1.4. Selection Criteria: The proposals will be placed before State Level Empowered Committee (SLEC) to examine and sanction. Decision of SLEC is final in this regard.

Scheme of Quality Certification / Patent registration

1.1 Financial Assistance:

1.1.1 Reimbursement of 50% of cost of certification such as HACCP, GMP, ISO 9000, ISO 22000, GLP and TQM for Food Processing Units, Cold chain Projects limited to Rs.5.00 lakhs per unit.

1.1.2 Reimbursement of 50% of expenditure incurred in obtaining patents for Food Processing Units, Cold chain Projects limited to Rs.10.00 lakhs per unit.

1.2 Submission of application: All new FP units shall submit their claims to APFPS for reimbursement within 6 months from the date of obtaining QC / patent along with the following documents.

1.2.1 Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.

1.2.2 Certification of QC / Patent obtained

1.2.3 Invoices / Bills

1.2.4 FSSAI certificate

1.2.5 Entrepreneur's Memorandum (EM)

1.2.6 Any other information sought by APFPS

1.3 Selection Criteria: The proposals will be placed before State Level Empowered Committee (SLEC) to examine and sanction. Decision of SLEC is final in this regard.

Scheme to accelerate Research & Development in FPIs

1.1. Financial Assistance: GoAP will provide assistance to food processing industries for research work approved by government undertaken by reputed research institutions like CFTRI, Acharya N.G.Ranga University, etc up to 50% of the cost with a ceiling of Rs.25 lakhs.

1.2. Submission of application: All new and existing units shall submit their claims to APFPS for reimbursement within 6 months from the date of obtaining QC / patent along with the following documents.

1.2.1. Certificate of Incorporation/registration of the organisation, Memorandum and Articles of Association and Bye laws of the society (if applicable) partnership deed etc.

1.2.2. Letter from Govt. Reputed research institution

1.2.3. A note on requirement of research work with objective, outcome and cost estimate

1.2.4. FSSAI certificate

1.2.5. Entrepreneur's Memorandum (EM)

1.2.6. Any other information sought by APFPS

1.3. Selection Criteria: The proposals will be placed before State Level Empowered Committee (SLEC) to examine and sanction. Decision of SLEC is final in this regard.

Scheme to reimburse Road Transport charges to ICD / port for export of perishable goods

1.1. Reimbursement of 30% of road transport charges till Inland Container Depot (ICD) / port for export of perishable goods by food processing units

1.2. The financial assistance limited to a maximum of Rs.5.00 lakh per annum per unit for 3 years from the date of Commercial Production.

1.3. All new FP units eligible shall submit their claims in the prescribed application form with in 6 months after completion of every half-year i.e., 31st March for first half year and 30th September for second half year along with the documents mentioned in the application.

1.4. The exporters must be registered with APEDA

1.5. The eligible units shall submit their claims to APFPS in the prescribed application form given at Annexure - I for Reimbursement of transportation expenses along with the following documents:

i. Application in the prescribed format
ii. Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and bye laws of the society (if applicable)/ partnership deed (notarized) etc.
iii. Registration certificate from APEDA
iv. Board Resolution authorizing to sign and file claim etc., in case of Pvt./Ltd., Companies, Cooperatives and similar authorization in respect of partnership firms.
v. Self certified photocopy of the original roadway Bill.
vi. The items exported along with their respective quantities should be individually mentioned on the invoice and the shipping bills along with HS Code.
vii. The roadway Bill as well as the Invoice must clearly indicate the description of items, number of their packages / cartons alongwith the net and gross weight of each item separately.

1.6. Recall of Grant:

The Government will have the authority

a. If the institute / organization become non-functional or said activity / organization is closed before 4 years from the date of Commercial operations failing which all

incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.

b. *Break-in-production upto a period of one and half (1 1/2) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by SLEC on merits. Any break-in-production will result in extending the four (4) years continuous production condition by the period of such break.*
c. *If the unit shall not submit the Audited reports of every financial year for a period of 4 years, with in 4 months from completion of respective financial year.*

APPLICATION FOR TRANSPORT ASSISTANCE
For the Month …… & ……..(year)

1) Name :
Address:
City:
Pincode:
APEDA Registration No……
Registration Date……

2) a)Total amount of road way transport charges paid …….. (As per summary sheet)
b) Amount of transport charges claimed (30%): ……

3) a) Name of the Bank and the address……
c) Current A/c no…… & IFSC code

Declaration

1) The full text of the scheme under which this request for assistance is made available to me / us and I/we have read and understood the same. I am/ we are familiar with the procedures and terms and conditions of grant as set out in the scheme and understand and accept that these are binding on me / us.
2) I / we declare that the particulars stated above and in the annexure are correct and nothing has been withheld or concealed.

Authorised Signatory
Place: Name (Block Letters)
Date: (Designation with seal of company)

SUMMARY - CLAIM FOR TRANSPORT ASSISTANCE

S.No.	Invoice Number	Waybill amount	Amount claimed (30% of the way bill amount)

Note: Each claim should be enclosed in sequence, page numbering should be done and page number of documents of the start of each shipping bill and end of the shipping bill may be indicated for facilitating processing.

Operational guidelines for providing Investment subsidy(grant in aid)/ Fiscal Incentives for Food Processing Units

Objective:

The main objective of the scheme is to increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food processing sector. The scheme envisages extending the fiscal incentives for establishment and successful running of new food processing units in the state.

(8) Implementing Agency:-

Andhra Pradesh Food Processing Society (APFPS) shall be a Nodal Agency to administer the Investment subsidy and Interest subvention for all the projects sanctioned.

(9) Administrative and Promotional expenses:- Andhra Pradesh Food Processing Society may utilize 5% of the actual expenditure incurred in a financial year for meeting the administrative expenses and 5% towards promotional expenditure.

(3) Screening Committee:-

State Level Screening Committee consists of

1) Secretary / Principal Secretary, Industries (FP) – Chairman
2) Director of Industries, AP or his nominee
3) Representative of Finance Department
4) Representative of State Level Bankers Committee (SLBC)
5) Managing Director, APSFC or his nominee
6) C.G.M NABARD or his nominee
7) C.E.O – A P Food Processing Society - Convenor

(4) Sanctioning Authority :-

State Level Empowered Committee with Chief Secretary as Chairman shall decide and accord project specific approvals of schemes processed in State Level Screening Committee. The Committee will have the following Members:-

1) Special Chief Secretary / Principal Secretary, Agriculture
2) Secretary / Principal Secretary, Horticulture
3) Secretary / Principal Secretary, Finance dealing with Food Processing subject
4) Secretary / Principal Secretary, Animal Husbandry and Dairy
5) Secretary / Principal Secretary, Marketing
6) Secretary / Principal Secretary, Industries – Convener
7) Any expert to be co-opted with the orders of the Govt.,

SLEC may periodically meet to sanction, review and evaluate the implementation of the schemes in the State.

(5) Selection Procedure :-

(C) The selection of project Developers / SPVs for all types of Food Parks will be through EoI/Swiss challenge system.

(D) Selection of Developers of all other schemes will be through open, transparent method through a newspaper advertisement

Director of Industries, GoAP is the nodal agency for providing the following fiscal incentives to the new food processing units:

1. Reimbursement of Power Cost:

1.1. Fixed power cost @ Rs.1.50 per unit on energy consumption charges (KWH) but not on Maximum Demand or any other charges levied by DISCOMs.

1.2. The power cost will be reimbursed for a period of five (5) years from the date of commencement of commercial production. The reimbursement will be made every six (6) months.

1.3. All eligible new FP units shall submit their claims in the prescribed application along with documents mentioned in the application for reimbursement of power cost within 6months after completion of every half-year i.e, by 31st March for first half-year and 30th September for second half-year.

2 Reimbursement of Non-Agriculture Land Assessment (NALA) tax:

2.1 100% reimbursement of NALA tax paid for establishment of Food Processing unit, Cold chain project, Primary processing centre etc.,

2.2 All eligible new FP units shall submit their claims in the prescribed application along with documents mentioned in the application for reimbursement of land conversion charges with in 6months from the date of commencement of Commercial production.

3 Reimbursement of Stamp duty, Transfer duty, Mortgage and Hypothecation Duty:

3.1 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land/shed/building meant for industrial use.

3.2 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings and also mortgages and hypothecations deeds.

3.3 Stamp duty will be reimbursed only one time on the land/building/shed and subsequent transactions will not be eligible for stamp duty reimbursement even in case of land purchases in open auction conducted by financial institution.

3.4 Stamp duty on Mortgages and hypothecations paid by an enterprise for availing Term loan from the financial institutions on assessed fixed capital investment only would be eligible. This facility is not applicable on working capital. If the mortgage deed is registered in any state other than Andhra Pradesh in favour of any financial institution, this facility will not be extended

4 Reimbursement of VAT/CST/SGST:

4.1 In case of Micro Enterprises, 100% VAT/CST or State Goods and Services Tax (SGST) will be reimbursed for a period of five (5) years from the date of commencement of commercial production.

4.2 In case of Small Enterprises, 75% VAT/CST or State Goods and Services Tax (SGST) will be reimbursed for a period of seven (7) years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is less.

4.3 In case of Medium Enterprises and Large Industries, 50% VAT/CST or State Goods and Services Tax (SGST) will be reimbursed for a period of seven (7) years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is less

4.4 All eligible new FP units shall submit their claims in the prescribed application along with documents mentioned in the application for reimbursement of Sales Tax / VAT within 6months after completion of every half-year i.e, by 31st March for first half-year and 30th September for second half-year.

Procedure for sanction of Fiscal Incentives from serial no 1 to 4:

1. **All applications are to be filed with General Manager, District Industries Centre concerned duly following the procedure**
2. **Scrutiny / Verification / Sanction of the fiscal incentives applications and committees constituted at the State level and District level will be the same as contained in the operational guidelines for implementing the Industrial Development Policy (IDP) & Sector Specific Policies of Industries & Commerce Department, GoAP**

Scheme of Market Cess Waiver

1.1. 100% exemption of APMC Cess / fees for a maximum period of 10 years in respect of procurement of agriculture / horticulture produce directly from farmers

1.2. This will be applicable to both new and existing Food Processing Units

(Separate orders from Marketing department are issued)

Appendix-A
SURETY BOND

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a_____(Type of organization) incorporated / registered under the _____(Name of the Act) and having its registered office at _____ (hereinafter called the "Obligers") are held fully and firmly bound to the Governor of Andhra Pradesh (hereinafter called the "Government") for the sum of Rs._____(Rupees_____ only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____ day of _____ in the year Two Thousand

WHEREAS on the Obliger's request, the Government as per Sanction Order No. Dated_____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligers grants-in-aids-in-aid of Rs._____ (Rupees _____only) for the purpose of (description of the project) at_____ out of which the sum of Rs._____(Rupees only) have been paid to the Obligors (the receipt of which the Obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the Obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfil and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms &conditions of the grants-in-aid by the target dates, if any specified therein.

THAT the Obligors shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s).

THAT the Obligers shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligers individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in- aid with interest of 10%per annum thereon. If a part of the grants-in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged up to the date of its refund to the Government, unless it is agreed to be carried over.

The Obligers agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property)buildings created / acquired constructed largely from out of the grants-in-aid sanctioned by the State Government of Andhra Pradesh or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligers.

AND THESE PRESENTS ALSO WITNESS THAT the decision of the Chief Secretary to the State Govt. of Andhra Pradesh on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligers and IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligers the day hereinabove written in pursuance of the Resolution No._____ Dated passed by the governing Body of the Obligers, a copy whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the Governor of Andhra Pradesh on the date appearing below:

Signature of the AUTHORISED SIGNATORY

Signed for and on behalf
of (Name of the Obliger in block letters)
(Seal / Stamp of Organization)

1. Signature of witness Name & Address	2. Signature of witness Name & Address
_____	_____
_____	_____
_____	_____

TO BE FILLED UP BY THE A.P. Food Processing Society
(ACCEPTED)
For and on behalf of the Governor of Andhra Pradesh

Name:_____ Designation: _____ Dated:_

Notary Seal & Signature

Appendix-B
(On non-judicial stamp paper of Rs. 100/- Affidavit)

I ……. S/o …… Resident of …… director /proprietor of M/s …… do here by solemnly affirms and state as follows:

(a) That organization's sister concern (s)/ inter connected company/Group company as well as the applicant company itself has not obtained any financial assistance for a food processing project in the past from any Central/State Government organisations.

(b) That the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./GOI organization/agencies and State Govt for the same purpose/activity /same components.

Deponent
Verification :

Verified that the content of this affidavit are true and correct to the best of the knowledge and belief of the deponent and no part of this affidavit is kept concealed therein, If anything is found false in this Affidavit subsequently deponent and organisation shall be liable jointly and severally for action under the laws, hence verified at __(*Place*)___ on __(*Date*)___.

Deponent

Notary Seal& Signature

Appendix – C
(Letter Head of the Bank)

Certificate

1. Certified that this bank has appraised the project of M/s ……. (Name and address of the organisation) for APFPS grant as per guidelines of the Scheme and also sanctioned term loan of Rs. ……lakh (if applicable).

2. It is further certified that we have released Rs…….. lakh (----% of sanctioned term loan) to M/s……. (Name and address of the organization) .

3. We have no objection in releasing *1st / 2nd installment of grant if sanctioned by the State Govt.

(Signature) (Name)
(Branch Manager)

Chairman
A.P. Food Processing Industries

*Tick mark as appropriate.

Appendix-D
(Letter Head of the CA)

CA certificate (With membership No. of CA) in the following format

(i) Project Cost: **(Rs. in lakh)**

Name of the Component/Item	Project Cost	Cost as appraised by the Bank	Actual Cost
Land			
Building / Civil Works			
Plant & Machinery			
Misc. Fixed Assets			
Other's			
Total			

(ii) Means of Finance: **(Rs. in lakh)**

S.No.	Item	Project Cost	As per appraisal	Actual Cost
	Promoter's Equity			
	Term Loan			
	Unsecured Loan			
	Grant from APFPS			
	Other's			
	Total			

Details of un secured loans, if any, duly certified by CA.

Signature and Seal of C.A.

Appendix – E
Format for Utilization Certificate GFR 19-A

Letter No. & Date	Amount
TOTAL	

1. Certified that out of Rs…… of grants-in-aid sanctioned during the year…….. in favour of ……. Under APFPS Letter No. given in the margin and Rs…… on account of unspent balance of the previous year, a sum of Rs…….. has been utilised for the purpose of …….. for which it was sanctioned, that the balance of Rs._____ remaining un-utilized at the end of the year __ has been surrendered to Government (Vide No:_____ dated_____) will be adjusted towards the grants-in-aid payable during the next year.

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kinds of checks exercised

1.

2.

3.

Signature…….. Designation…….. Date……..

Appendix – F
(Letter Head of the Bank)

Certificate

1. Certified that this bank has released ___(75%/100%) of term loan sanctioned i.e.,Rs._____ lakh and also 1st instalment of grant of Rs._____ lakhs released by the APFPS vide sanction order No._____ Date_____ to M/s……. (Name and address of the organization), which has been credited in account number …….of the firm.

2. We have no objection in releasing 2nd / 3rd instalment of grant if sanctioned by the State Govt.

(Signature) (Name)
(Branch Manager)

Chairman
A.P. Food Processing Society

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (M & G and FP)(FAC)